

FBIS

DAILY REPORT

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SOVIET-VIETNAMESE STRATEGIC ALLIANCE SCORED

HK250856 Beijing LIAOWANG in Chinese No 27, 2 Jul 84 p 5

[Article by Ling Dequan: "The Soviet-Vietnamese Alliance Is Detrimental to Third Countries"]

[Text] Of late, the Vietnamese authorities have launched a dry season offensive in Kampuchea, and efforts by the international community to solve the Kampuchean issue have made no headway. Meanwhile, Sino-Vietnamese relations have steadily deteriorated as a result of intensified armed provocation inflamed by the Vietnamese authorities along the border areas of China's Yunnan and Guangxi Provinces and the escalation of their anti-China propaganda.

Facts show that the Vietnamese authorities are intensifying their efforts to pursue their national policy of considering China as the "most dangerous direct enemy." Some Western correspondents who recently visited some places in Vietnam along the border between China and Vietnam said: "Vietnam has deployed tanks, missiles, and heavy artillery at major strategic spots," and "soldiers are busy digging bunkers and trenches." They believe that these are preparations for adding fuel to the flames of war along the border between China and Vietnam.

People cannot but ask: Why are the Vietnamese authorities so furious and swollen with arrogance? As is known to all, they want to deceive the people at home and divert international attention. Then, are there any other outside factors? Please look at what Vietnam's "strategic ally" -- the Soviet Union -- has done recently.

-- Militarily, The Soviet Union has strengthened its presence and increased its aid to Vietnam. In early April, the Soviet nuclear [as published] aircraft carrier Minsk anchored near the Cam Ranh Bay for the third time. In mid-April, a number of warships and a marine contingent of the Soviet Pacific Fleet carried out an amphibious landing exercise near Haiphong City. In mid-May, Vietnamese Defense Minister Van Tien Dung suddenly visited Moscow and held talks on "problems of common interest" with Soviet Defense Minister Dmitriy Ustinov and the chiefs of the three armed services.

-- Politically, the Soviet Union has repeatedly voiced its full support for Vietnam's policy. On 9 May, the Soviet side suddenly decided to postpone the visit of Ivan Arkhipov, the first deputy chairman of USSR Council of Ministers, to China, which was scheduled to start on 10 May. On 11 June, at a meeting with Le Duan and Pham Van Dong, who were in Moscow to attend the summit conference of the Council for Mutual Economic Assistance, the Soviet leader, Konstantin Chernenko, criticized China by name, alleging that "the Soviet side strongly condemns the Chinese authorities for their hostile acts toward Vietnam" and emphasizing that "giving full support" to Vietnam is a "persistent policy" of the Soviet Union.

In propaganda, the Moscow propaganda organs have not only disseminated anti-China material in large quantities in order to bolster the morale of the Vietnamese authorities but have also flagrantly attacked China's just counterattack in self-defense in the name of the TASS and mass organizations.

Both the history of the past 5 years and beyond, and the recent development of events fully prove that the Vietnamese-Soviet "strategic alliance" formed in 1978 is the root cause of tension and turbulence in Southeast Asia and poses a grave and direct threat to the security of neighboring third countries -- Kampuchea, the ASEAN states, and China.

In the past 2 years, the Chinese and Soviet deputy foreign ministers have held four rounds of talks on normalization of relations between the two countries. But on the issue of Vietnamese aggression against Kampuchea, the Soviet Union has stubbornly refused to cease supporting the Vietnamese in their aggression against Kampuchea and in their anti-China activities on the basis of safeguarding the interests of third countries. Naturally, improvements in Sino-Soviet relations should not be detrimental to any third country's interests, but herein lies the crux of the matter: The Soviet Union takes Vietnam as its foothold and forward base in its southward strategy, while the Vietnamese authorities depend on Soviet backing in their unbridled aggression against Kampuchea, frantic anti-China activities, and ruthless pursuit of regional hegemonism. Such relations between the Soviet Union and Vietnam are detrimental to the interests of third countries — Kampuchea, the ASEAN states and China.

There are no prospects for what the Vietnamese authorities are doing. Aggression against Kampuchea and anti-China activities in the past 5 years and beyond have landed Vietnam in a profound economic crisis. This runs counter to the aspirations of the Vietnamese people, who, after several decades of war, long for peace. At the same time, it is futile for the Soviet Union to support the Vietnamese aggression in Kampuchea. A fact obvious to all is that the unity and harmony of the Coalition Government of Democratic Kampuchea have been strengthening steadily and the anti-Vietnamese patriotic armed forces have been growing ever stronger. Over the past 5 years and beyond, profound changes have been taking place in the situation of both belligerents in the favor of the Kampuchean Army and people resisting Vietnam. Soviet support for Vietnam can do nothing but harm the third countries' interests and affect peace and security in Asia and the world.

China sincerely wishes to live in amity with her neighbors and to establish and develop normal relations with all countries in the world in her effort to safeguard peace in Asia and the world. With regard to her relations with the Soviet Union and Vietnam, China's attitude is very realistic and her demands are not harsh at all. An end to the aggression in Kampuchea and to the anti-China activities is in the best interests of Vietnam, which has been at war for nearly 40 years; and an end to the support for Vietnamese aggression and expansion is conducive to normalizing Sino-Soviet and Sino-Vietnamese relations, defusing tension, and safeguarding regional and world peace. This is the universal wish of the people. May the Hanoi and Moscow leaders give it careful consideration and decide.

DENG YINGCHAO MEETS TAIWAN CAMP PARTICIPANTS

OW241530 Beijing XINHUA in English 1435 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- Deng Yingchao, who chairs the Chinese People's Political Consultative Conference (CPPCC) National Committee, today met 140 young Taiwan compatriots from the United States, Japan, Brazil, Canada and the Chinese mainland. They are in Beijing to attend a summer camp, the first of its kind in China, especially for young Taiwan compatriots.

Deng Yingchao said the main task of the CPPCC was to call on all Chinese people here and abroad to work for the reunification and prosperity of the motherland. She called on more Taiwan compatriots abroad to visit China, and said she hoped the youngsters at the camp who came from abroad would tell their relatives and friends of their experiences when they returned home.

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On behalf of these visitors, Jiang Yi Xuan, a Taiwan compatriot living in the United States, said they would contribute to the motherland's reunification, which was most important to the prosperity of the country.

Also present were CPPCC National Committee Vice-Chairmen Yan Jingren, Hu Ziang, Zhou Peiyuan and Fei Xiaotong.

The summer camp, which is sponsored jointly by the All-China Federation of Taiwan Compatriots and the All-China Youth Federation, opened on July 11 in Dalian, a coastal city in Liaoning Province, northeast China. Participants of the camp arrived in Beijing on Saturday.

UNESCO OPENS EROSION, SEDIMENTATION CENTER IN PRC

OW211503 Beijing XINHUA in English 1430 GMT 21 Jul 84

[Text] Beijing, July 21 (XINHUA) -- The International Research and Training Center on Erosion and Sedimentation, co-sponsored by China and UNESCO, opened here today, in response to a decision by the 22d Session of the UNESCO General Conference.

Qian Zhengying, minister of water resources and electric power, Gao Yi, chairman of the China National Commission for UNESCO, and Amadou Mahtar M'Bow, director-general of UNESCO, spoke at the inauguration ceremony. Director-General M'Bow is here at the invitation of Chairman Gao. He visited China in 1975, 1979 and 1983.

Soil erosion and consequent river sedimentation are an urgent issue. It is estimated that about 60 million square kilometers of land have been eroded in the world today. The center will promote technical cooperation among member states. It will provide foreign experts with laboratories and field experiment sites. Its English language INTERNATIONAL JOURNAL OF SEDIMENT RESEARCH will record its progress.

Mass afforestation campaigns in China are a long-term measure against soil erosion.

AEROSPACE COOPERATION PLAN SIGNED 25 JUL

OW250800 Beijing XINHUA in English 0719 GMT 25 Jul 84

[Text] Beijing, July 25 (XINHUA) -- The United States will organize a technical seminar on aviation and commercial aerospace equipment and technology and an exhibition of U.S. aircraft and related equipment in China, according to a work program for industrial and technological cooperation in the aerospace industry, which was signed here today.

The Chinese side wishes to send separate senior delegations of the aviation industry, aerospace industry and civil aviation to visit the U.S. at the convenient time, the work program said. China will also receive an executive trade mission that will include executives of approximately eight U.S. aerospace companies. The two sides agree to propose discussions at an early date toward a civil aviation cooperative agreement and bilateral airworthiness agreement.

Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua attended the signing ceremony. The work program was signed by Wei Yuming, vice-minister of foreign economic relations and trade, and Craig L. Fuller, assistant to the U.S. President for Cabinet affairs.

Chen Muhua Meets Anna Chennault

OW240936 Beijing XINHUA in English 0827 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua met and had a friendly conversation here today with Mrs Anna Chennault, vice-chairman of the U.S. President's export council.

After the meeting Chen Muhua gave a luncheon for Mrs Chennault.

RONG YIREN ATTENDS KODAK CONTRACT CEREMONY

OW241618 Beijing XINHUA in English 1446 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- China and the American Eastman Kodak Company signed a contract here today aimed at upgrading China's technology for the production of photographic materials.

Rong Yiren, vice-chairman of the National People's Congress Standing Committee, attended the signing ceremony and met a Kodak delegation, headed by Chairman C.H. Chandler. The delegation flew to Beijing especially to sign the contract with the Xiamen Photographic Materials Co. Ltd and the China National Technical Import Corporation. Before the signing, Rong Yiren praised Kodak for its co-operative spirit, and expressed the hope that the various forms of technical and economic co-operation between China and the United States would develop further.

Yang Bo, minister of light industry; Vice-Minister Wei Yuming of the Ministry of Foreign Economic Relations and Trade; and Zhang Yi, vice-governor of Fujian Province were among those present at the meeting and signing ceremony.

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The Xiamen Photographic Materials Company was set up by the Fujian Investment Enterprise Corporation, the United Development Corporation of the Xiamen Special Economic Zone, the China International Trust and Investment Corporation and the Bank of China Xiamen Branch. Its factory, in the special economic zone, is to be greatly expanded over the next three years.

Under the contract, Kodak will provide the Xiamen company with the technology, equipment and design expertise for a complete color film and paper production line, and will train its technical personnel. Rong Yiren gave a banquet for the American delegation after the signing ceremony.

U.S. CENSUS BUREAU DIRECTOR VISITS 24 JUL

Meeting With Fang Yi

OW240934 Beijing XINHUA in English 0805 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- Fang Yi, state councillor and co-chairman of the PRC-US joint commission on cooperation in science and technology, met here this morning with John Kean, director of the Bureau of the Census of the Department of Commerce of the U.S., and his party.

The Americans arrived here last Tuesday at the invitation of China's State Statistical Bureau. They will leave for home tomorrow.

Protocol Signed

OW240932 Beijing XINHUA in English 0803 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- China and the United States signed a protocol on cooperation in statistics here today.

The protocol was signed under the 1979 agreement between the two governments on cooperation in science and technology for the purpose of promoting cooperation and exchanges in the fields of economic, social and demographic statistics.

According to the protocol, the two sides will exchange statistical data in the economic, social and demographic fields, related publications, and specialists, trainees and delegations. They will also swap statistical techniques and experience.

The protocol was signed by Li Chengrui, director of China's State Statistical Bureau, and John Kean, director of the Bureau of the Census of the Department of Commerce of the U.S.

PRC, USSR SIGN BORDER RAILWAY TRANSPORT PROTOCOL

OW241446 Beijing XINHUA in English 1433 GMT 24 Jul 84

[Text] Harbin, July 24 (XINHUA) -- A nine-day session of the Sino-Soviet committee on border railway traffic ended here today.

During the talks, the two sides discussed ways of increasing the volume of goods crossing their border and of improving transport organization.

A protocol was signed by Du Yourui, director of the Harbin Railway Bureau, and A. G. Dudin, deputy director general from the Soviet Ministry of Railways.

USSR'S TIKHONOV CITED ON TALKS WITH U.S.

OW241120 Beijing XINHUA in English 1049 GMT 24 Jul 84

[Text] Warsaw, July 23 (XINHUA) -- Soviet Premier Nikolay Tikhonov said here today that the Soviet Union is prepared to enter into nuclear limitation talks with the United States at which, he said, the Soviet Union will propose a series of peace overtures.

The chairman of the Soviet Council of Ministers was speaking at a steel plant in Warsaw. He is heading a Soviet party and government delegation joining the celebration of the 40th anniversary of the founding of the People's Republic of Poland.

"Now it is up to Washington" to make response to the Soviet initiatives, he urged.

On the current Soviet-U.S. nuclear confrontation, he stressed that the Soviet Union "will not budge before nuclear blackmail, nor will it allow the current strategic balance to be upset."

"We have means to defend our independence and sovereignty," and those who wanted to disrupt peace "should be mindful of this," Tikhonov stated. The Soviet leader reiterated that his country is willing to "hold negotiations" with the United States, but added the negotiations should be sincere, down-to-earth and following the principles of equality and security for both.

DPRK PREMIER KANG SONG-SAN TO VISIT 5-10 AUG

OW250908 Beijing XINHUA in English 0858 GMT 25 Jul 84

[Text] Beijing, July 25 (XINHUA) -- Premier Kang Song-san of the Democratic People's Republic of Korea will pay an official goodwill visit to China from August 5 to 10 at the invitation of Premier Zhao Ziyang.

This was disclosed by Qi Huaiyuan, spokesman of the Chinese Foreign Ministry, at the weekly news briefing here this afternoon.

MONGOLIAN MINISTER ENDS PRC VISIT 25 JUL

OW250318 Beijing XINHUA in English 0257 GMT 25 Jul 84

[Text] Beijing, 25 July 25 (XINHUA) -- D. Yondon, first vice-minister of foreign affairs of the People's Republic of Mongolia, and his party wound up their visit to China and left here for home by train today.

During their visit here, Chinese Vice-Foreign Minister Gong Dafei met and gave a dinner in honor of D. Yondon. They exchanged views on developing bilateral friendly and good-neighbourly relations.

G. Behbat, charge d'affaires ad interim of the Mongolian Embassy here, held a banquet on July 24 on the occasion of the Mongolian first vice-foreign minister's China visit. Chinese Vice-Foreign Minister Han Xu was present.

D. Yondon and his party visited Guangzhou and Shenzhen, one of China's special economic zones.

ZHANG JINGFU WINDS UP 2-WEEK JAPAN VISIT

OW241624 Beijing XINHUA in English 1454 GMT 24 Jul 84

[Text] Tokyo, July 24 (XINHUA) -- Zhang Jingfu, Chinese state councillor and minister in charge of the State Economic Commission, wound up his two-week visit to Japan and left Osaka for home today.

In Osaka, center of Japan's industrial Kansai area, Zhang had met with Governor of Osaka Prefecture Sakae Kishi. During the meeting, Kishi told Zhang that the Kansai area, having a long history of friendly exchanges with China and being one of the first areas in Japan to launch the sister-city relations with China, comprises one third of the total Japanese cities and prefectures that have established such relations with China.

In his speech, the Chinese state councillor expressed the hope that the Kansai area will also lead the way in economic and technological cooperation with China.

Last night, the Japan-China Association on Economy and Trade hosted a dinner for Zhang to meet with people from local financial circles. During his visit to the Kyoto Ceramic Co. Ltd, the company's president Kazuo Inamori told him that the company will present a solar power plant to a Chinese village.

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DUAN JUNYI LEADS STUDY GROUP TO TOKYO

OW231812 Beijing XINHUA in English 1606 GMT 23 Jul 84

[Text] Tokyo, July 23 (XINHUA) -- Shinichi Suzuki, governor of Metropolitan Tokyo, hosted a banquet here today for the Beijing study group led by Duan Junyi, senior advisor to the Beijing Municipal People's Government.

In his welcoming speech at the banquet, Suzuki said he hoped friendly exchanges would help promote the ties already established between the two sister cities of Tokyo and Beijing.

Duan Junyi, echoing Suzuki's hope, suggested that the two cities further develop their friendly ties and understanding and expand their exchanges with a view to maintaining their friendship through to the 21st century and forever.

Arriving here yesterday afternoon, the Beijing study group today was briefed on the urban construction and education of the Japanese capital.

WU XUEQIAN MEETS THAI FOREIGN MINISTER

OW241114 Beijing XINHUA in English 1054 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila and Mrs Sawetsila flew in here today on a five-day visit to China at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian.

The Thai minister is scheduled to meet top Chinese leaders and confer with Wu Xueqian, who paid a visit to Thailand last July. The two sides are expected to discuss bilateral relations and latest developments of world issues, the situation in Southeast Asia in particular. Sitthi was met at the airport by Wu Xueqian and Chinese Ambassador to Thailand Shen Ping.

Also present at the airport were Charge d'Affaires ad interim of the Thai Embassy in Beijing Somphan Kokilanon and diplomatic envoys to China of Malaysia, the Philippines, Kampuchea and a number of Arab and African countries.

SRV 'HEGEMONISM' OBSTACLE TO PRC-USSR RELATIONS

OW241210 Beijing XINHUA in English 1137 GMT 24 Jul 84

["Commentary: International Setting for Vietnam's Armed Provocations Against China (by Huang Yuan)" -- XINHUA headline]

[Text] Beijing, July 24 (XINHUA) -- Vietnam has ignored China's warning against further armed provocation so that the border tension might be relaxed. Instead, it is moving more troops into the border area in preparation for further actions.

After its division-size attack was beaten back on July 12, it continued to bombard Laoshan District, Malipo County, Yunnan Province. On July 13 and 14 alone, 7,000 rounds of artillery shells were fired.

Hanoi's escalated hostile actions have its foreign policy considerations and needs and are against the background of international setting.

First of all, the Vietnamese authorities want to divert world attention from its aggression in Kampuchea. They have been condemned in the world for stubbornly persisting in the aggression in defiance of the UN resolutions demanding withdrawal of all Vietnamese troops from Kampuchea. To extricate itself from the predicament, Hanoi has, in addition to playing diplomatic tricks to whitewash its aggression, resorted to stepping up its armed provocation against China in an attempt to split the international force opposed to its aggression and to divert world attention.

Secondly, the Vietnamese authorities want to put a spoke in the wheels of Sino-Soviet relations. The consultations on normalization of Sino-Soviet relations have struck fear into the Vietnamese leaders, so they have gone all out to prevent any normalization in Sino-Soviet relations and attacked China's just demand that the Soviet Union cease its support to Hanoi's aggression in Kampuchea.

At the beginning of this year, Vietnamese Foreign Minister Nguyen Co Thach frankly admitted that "We will, of course, try to stop them from doing so." General-Secretary of the Vietnamese Communist Party Le Duan made it even more plain when he said, "In Vietnam's line, to maintain close unity and total cooperation with the Soviet Union is the principle and strategy." These statements show clearly Hanoi's determination to pursue regional hegemonism with Soviet backing. Thus, Vietnam deliberately chose to intensify its provocation on the Sino-Vietnamese borders and create a tense situation last spring just before the scheduled visit to China by the First Vice-Chairman of the Soviet Council of Ministers Ivan Arkhipov. In May and June, Vietnamese Defense Minister Van Tien Dung and General-Secretary Le Duan visited Moscow one after the other to discuss the Southeast Asian situation and "total cooperation," and to seek more Soviet aid and support. It is no incident that the escalation of the armed provocation against China took place at the end of June and the beginning of July when the Soviet and Chinese deputy ministers had just concluded their talks in Moscow.

Actually Moscow's support for Vietnam is out of its own global strategic needs. It echoed Hanoi's allegations and attacked China for the Sino-Vietnamese border tension. The Soviet leaders have assured Hanoi that "solidarity with" and "all round" support for Vietnam is the "invariable course" of the Soviet state. Hanoi's latest armed provocation against China took place in the wake of the Soviet pledge. An article in the Vietnamese Army paper QUAN DOI NHAN DAN has confirmed that Vietnam has the "full support" of the Soviet Union in its struggle against China.

China has pointed out time and again since the start of the Sino-Soviet consultations that the Soviet support for the Vietnamese aggression in Kampuchea is one of the obstacles to normalization of Sino-Soviet relations, and that without the removal of these obstacles, normalization would be impossible. Unfortunately, up to now, the Soviet Union is still unwilling to remove these obstacles.

PAKISTANI FOREIGN MINISTER CONTINUES VISIT

Further Talks With Wu Xueqian

OW241106 Beijing XINHUA in English 1044 GMT 24 Jul 84

[Text] Beijing, July 4 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian said here today that China would continue its efforts to improve and develop its good-neighborly relations with India. China wished to see a fair and reasonable settlement of the boundary issue with India in the spirit of mutual understanding and accomodation, he added.

Wu Xueqian made these remarks in the second round of talks with his Pakistan counterpart Yaqub Khan this morning.

Yaqub Khan said Pakistan supported China's efforts to improve Sino-Indian relations. Improvement of Sino-Indian relations, he said, is in the interests of the people of the two countries and other neighboring countries as well as peace in this region.

Referring to Iran-Iraq war, Wu Xueqian said: "China does not wish to see two Islamic countries locked in conflict and slaughter. We support the efforts made by Pakistan and other Islamic countries to seek a peaceful settlement of the issue."

"China is strictly neutral in this issue," he stressed.

The second round of talks between the two foreign ministers took place on the train trip from Chengde to Beijing. Wu also briefed the Pakistan minister on China's positions on the present international situation, the Afghan and Kampuchean issues and other major international issues. Yaqub Khan gave an account of the recent conference of foreign ministers of seven South Asian nations. He described the conference as a complete success.

Meets Zhao Ziyang

OW250722 Beijing XINHUA in English 0702 GMT 25 Jul 84

[Text] Beijing, July 25 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that the Sino-Pakistan relations should become an example of peaceful co-existence for countries with different social systems and an example for South-South cooperation in economic and technical cooperation.

Zhao made the statement at a meeting with the visiting Pakistan's Foreign Minister Yaqub Khan this morning in Zhongnanhai, the site of the State Council.

The friendly relations between China and Pakistan had been established and developed on the basis of the Five Principles of Peaceful Coexistence, he said. Noting that the two countries had good political relations, Zhao said they should open up new areas for bilateral economic and technical cooperation.

Yaqub Khan said the importance of the Five Principles of Peaceful Coexistence that Premier Zhao Ziyang stressed was very appropriate, especially when the present world situation was extremely turbulent and tense.

He said it was their hope that the relations between the two countries would become a brilliant example for the state-to-state relations.

Zhao Ziyang said China resolutely supported Pakistan's position on the Afghan issue and appreciated Pakistan's efforts for a peaceful settlement of the Iran-Iraq war and for the promotion of cooperation in the South Asia region. Zhao said the practice in the past 30 years had testified the Five Principles of Peaceful Coexistence as a guideline for dealing with state-to-state relations. So long as the countries all over the world acted in accordance with these principles could world peace and stability be guaranteed, he added.

During the meeting Yaqub Khan forwarded a letter from Pakistan President Mohammad Ziaul Haq to the Chinese premier. Zhao also asked Yaqub Khan to convey his cordial regards to President Ziaul Haq.

Talks With Li Xiannian

OW250916 Beijing XINHUA in English 0900 GMT 25 Jul 84

[Text] Beijing, July 25 (XINHUA) -- Chinese President Li Xiannian conferred here today with Pakistan Foreign Minister Yaqub Khan on the situation in South Asia and regional cooperation.

The Chinese president described the recent conference of foreign ministers of seven South Asian countries as a great success, saying that it "has given expression to the principle of equality among all countries, big and small." Li Xiannian said he hoped for good relations between Pakistan and India.

Yaqub Khan replied, "We are exerting ourselves for this goal. We consider improved relations with India are in the interests of both countries."

During the meeting, the Chinese president also recalled with pleasure his state visit to Pakistan in March. He again thanked President Ziaul Haq and the Pakistan Government and people for their warm and friendly welcome. "We will never forget this," he said. The foreign minister and his party left here for Xian this afternoon.

Yesterday evening, Yaqub Khan gave a return banquet. Chinese State Councillor and Foreign Minister Wu Xueqian attended.

USSR POSTPONEMENT OF TALKS WITH PAKISTAN NOTED

OW231914 Beijing XINHUA in English 1907 GMT 23 Jul 84

[Text] Islamabad, July 23 (XINHUA) -- The consultations between Pakistan and the Soviet Union at the foreign secretaries level on the agenda of the UN General Assembly have been put off at the request of the Soviet Union, a Foreign Office spokesman announced here today. New dates for the consultations will be fixed by mutual agreement, the spokesman said.

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It had become a regular practice in recent years that the foreign secretaries of the two countries held consultations prior to the annual UN General Assembly.

The spokesman said that Pakistan Foreign Secretary Niaz A. Naik was originally due to visit Moscow from July 24 to 26 as part of his tour of Eastern Europe. He will visit the German Democratic Republic, Poland and Hungary as scheduled.

ZHANG TINGFA DEPARTS BANGLADESH 24 JUL

OW241656 Beijing XINHUA in English 1633 GMT 24 Jul 84

[Text] Dhaka, July 24 (XINHUA) -- Chinese Air Force Commander Zhang Tingfa and his party today left here for home after a seven-day friendly visit to Bangladesh. Bangladesh Air Chief Air Vice-Marshal Sultan Mahmud and Chinese Ambassador Xiao Xiangqian saw him off at the Dhaka airport.

During the visit, Bangladesh President Hussain Muhammad Ershad received Zhang Tingfa and held talks with him. Zhang also had talks with Sultan Mahmud and Bangladesh Chief of Navy Force Rear Admiral Mahbub Ali Khan on the building of armed forces.

The Chinese delegation visited some Air Force bases, units and academies of Bangladesh.

A Bangladesh senior Air Force officer told XINHUA that they were satisfied with the result of the visit. He said this visit will certainly strengthen the friendship and cooperation between the peoples and Armed Forces of Bangladesh and China.

AFGHAN RESISTANCE CONTINUES ATTACKS ON SOVIETS

OW231453 Beijing XINHUA in English 0640 GMT 23 Jul 84

[Text] Islamabad, July 23 (XINHUA) -- Afghan resistance to the Soviet-Karmal forces kept up the tempo of activity in the provinces of Konarha, Nangarhar, Paktia and Qandahar ASSOCIATED PRESS OF PAKISTAN reports from Peshawar today.

It says that during the last month, three Soviet officers and 10 soldiers were killed and one officer and 29 soldiers wounded.

In the same period 19 Afghan officers and 132 soldiers were killed by the mojahedin while 14 Afghan officers and 198 soldiers were wounded.

The report says three Afghan officers and 381 soldiers have deserted. The report says the mojahedin had also destroyed 11 helicopter gunships, three planes, eight tanks and 23 armored personnel carriers during the same period.

OW250835 Beijing XINHUA in English 0825 GMT 25 Jul 84

The press statement issued by both sides follows: The Chinese and British sides continued their useful and constructive talks on the Hong Kong question on 24 and 25 July in Beijing. It was agreed that the 20th round of talks would take place on 8 and 9 August in Beijing.

OW250336 Beijing XINHUA in English 0241 GMT 25 Jul 84

The meeting noted in a press communique that the EEC-China trade agreement signed in 1978 has "greatly contributed to the promotion of exchanges between the two parties, but the relations of the community with China have exceeded now the trade field." "It is in this perspective that the commission has just been authorized to negotiate with China an agreement which, on the one hand, will reconsider the items in the current 1978 trade agreement, and on the other, will be completed by a chapter of economic cooperation."

During the two-day session, the foreign ministers failed to resolve the Community's budget deficit of this year. The issue will be submitted to a new budget meeting to be held in September.

The foreign ministers have also discussed recent developments with regard to possible new curbs on steel imports by the United States. They warned that if the U.S. Administration does not fully respect its commitments laid down in the 1982 EEC-U.S. agreement and act on the recommendation of the U.S. International Trade Commission in September, "an extremely serious situation will prevail in the trade relations between the EEC and the United States."

The EEC foreign ministers have also held separate sessions with Portugal and Spain on their forthcoming admission into the Community.

PRC, SFRY DEFENSE LEADERS MEET IN PLITVICA

OW250848 Beijing XINHUA in English 0813 GMT 25 Jul 84

[Text] Belgrade, July 24 (XINHUA) -- Yugoslavia Defense Secretary Fleet Admiral Branko Mamula received Chief of the General Staff of the Chinese People's Liberation Army Yang Dezhi in Plitvica this morning.

Mamula said that the Armies of the two countries have both developed in revolutions, and therefore, it is necessary for them to cooperate and exchange experience in army building. He accepted the invitation to visit China conveyed by Yang on behalf of the Chinese Minister of Defense Zhang Aiping.

Yang and his party arrived here from a tour of the Brioni Islands and the coastal city of Split, where they visited a Yugoslav Navy training center and a naval port in the company of Commander of the naval region B. Grubisic.

AGRICULTURAL GROUP LEAVES HUNGARY 24 JUL

OW241914 Beijing XINHUA in English 1855 GMT 24 Jul 84

[Text] Budapest, July 24 (XINHUA) -- A Chinese agricultural delegation led by He Kang, minister of agriculture, animal husbandry and fishery, left here for home today.

The delegation came at the invitation of Hungarian Minister of Agriculture and Food Industry Jenő Vancsa on July 13.

During the visit here, He Kang and Jenő Vancsa exchanged views on future bilateral cooperation, and signed a note on their talks. Ferenc Havasi, Political Bureau member and secretary of the Central Committee of the Hungarian Socialist Workers' Party, and József Marjai, vice-premier, received He Kang.

The delegation visited state farms, factories and other establishments here. Ma Lie, Chinese ambassador to Hungary, hosted a reception for the delegation yesterday.

HAO JIANXIU MEETS RWANDAN YOUTH DELEGATION

OW241348 Beijing XINHUA in English 1322 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- Hao Jianxiu, alternate member of the Secretariat of the Chinese Communist Party Central Committee, met here this afternoon with a youth delegation from Rwanda led by Major Augustin Ndindiliyimana, minister of youth and co-operative movement.

Keyum Bawudun, member of the Secretariat of the Chinese Communist Youth League Central Committee, and Denis Mabira Bigirimana, Rwandan ambassador to China, were present.

The delegation arrived here yesterday at the invitation of the Central Committee of the Communist Youth League. The guests were honored at a banquet last night given by Hu Jintao, member of the Secretariat of the Communist Youth League Central Committee and president of the All-China Youth Federation.

WANG ZHANYI ATTENDS BURUNDI HIGHWAY OPENING

OW241420 Beijing XINHUA in English 1252 GMT 24 Jul 84

[Text] Bujumbura, July 23 (XINHUA) -- Burundi's Number Seven state highway, has been opened to traffic since a ceremony was held in Ijeda, Bujumbura Province today.

The 112-kilometer-long highway which was constructed with Chinese assistance extends from Burundi's capital Bujumbura to the source of the Nile. The highway was completed after three years' construction, six months ahead of schedule. It will be conducive to the exploitation of Mosso plain in southern Burundi.

The head of the Chinese Government delegation and vice-minister of communications, Wang Zhanyi, who is on a visit to Burundi, attended the ceremony which was presided over by Burundian Minister of Public Works, Energy and Mines Isidore Nyaboya.

LIBYAN PUBLIC SERVICE GROUP ENDS PRC VISIT

OW241518 Beijing XINHUA in English 0904 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- A four-member delegation from the Libyan Secretariat of Public Service wound up its visit to China and left here this afternoon for the Democratic People's Republic of Korea.

The delegation, led by Dr Mas'ud Y. Baruni, management and organization consultant of the Public Service Secretariat, arrived here July 17 at the invitation of the Chinese Ministry of Labor and Personnel. While in China, they studied ways to train people for employment and organize voluntary labor in Beijing and Shanghai.

FURTHER ON REFORM OF CADRE MANAGEMENT SYSTEM

OW202036 Beijing XINHUA Domestic Service in Chinese 1235 GMT 19 Jul 84

[Text] Beijing, 19 Jul (XINHUA) -- The Secretariat of the CPC Central Committee has recently decided to reform the cadre management system and properly delegate the power of managing cadres to lower levels by adopting a new system where each administrative level takes responsibility for managing cadres and by reducing the scope of managing cadres by the central authorities. In principle, the central authorities supervise only principal leading cadres of the next lower level.

The Central Secretariat pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee was convened, we have made a number of revolutionary changes in the cadre's work, which, in general, are quite solid and fruitful. The organization work (mainly the cadre's work) has already become an important task in creating a new situation in the party's work. However, problems incompatible with the needs of the new historical period still exist in the work. Overconcentration of power in managing cadres, which hamper the efforts to discover and rationally utilize talented personnel, is one of the prominent problems. Therefore, it is imperative to carry out reform.

In order to supervise a smaller number of cadres more effectively and flexibly, the number of cadres under the central authorities' supervision will be reduced by two-thirds after the institution of the new cadre management system. Most of the cadres formerly under the jurisdiction of the central authorities will be supervised by the organization at the next lower level. The new system will enforce the responsibility of all provinces, autonomous regions and municipalities, institutional departments and commissions under the party Central Committee and the State Council, and the various departments at all levels of cadre management for pushing forward the reform of the various cadre systems, breaking up resistance to selecting and promoting young and outstanding cadres, and speeding up the process to make the ranks of cadres younger in average age, better educated, and more professionally competent and revolutionary, thus providing the organizational guarantee for restructuring and invigorating the economy.

The Central Secretariat urges party committees in various localities to understand fully the importance of effectively supervising cadres in the new situation by strengthening leadership, clearly defining duties, improving work methods, changing style and effectively supervising cadres under their jurisdiction. It is necessary to broaden vision to discover talented personnel from a broad area, build a good leading body at all levels and train the third echelon by resolutely implementing the policy of making the ranks of cadres younger in average age, better educated, and more professionally competent and revolutionary.

It is necessary to strengthen further the collective leadership, give full expression to democracy, follow the mass line, and promote young and outstanding cadres who are good politically, better educated, full of drive and spirit of reform, and capable of creating a new situation so that leading bodies at all levels will be formed of members with ages in the shape of a trapezoid and with better education and professional knowledge. After decentralizing the power of managing cadres, organization departments at higher levels must strengthen evaluation, examination, supervision, and guidance over the work of organizations at lower levels in appointing and removing cadres and other fields and step up investigation and study in order to discover and resolve various problems in good time.

The Organization Department of the CPC Central Committee has already issued a circular concerning implementation of the above-mentioned decision, calling on all localities and departments to do a good job in managing cadres in accordance with the new system beginning 1 August.

PLA REPUDIATES 'GIVING PROMINENCE TO POLITICS'

OW250807 Beijing XINHUA Domestic Service in Chinese 1200 GMT 22 Jul 84

[By reporter Liu Zhiyuan]

[Text] Beijing, 22 Jul (XINHUA) -- Jiang Siyi, vice president of the PLA Political Academy, said at an academic discussion meeting on 21 July on the political work of some military schools that to reform political work successfully, it is most important at present to negate completely "giving prominence to politics" and eliminate the "left" influence.

In his speech Jiang Siyi concretely analyzed the essence of "giving prominence to politics" and the serious harms done by it. He pointed out: "Giving prominence to politics" was a mainstay in the "left" ideological system during the "Great Cultural Revolution." Complete negation of "giving prominence to politics" is an important aspect in completely negating the "Great Cultural Revolution." He said: The slogan "putting politics in command" cannot accurately and properly describe the relationship between politics and economy, between spirit and material, and between political work and other work. For a long time, it was a synonym for launching large-scale political movements and waging large-scale class struggles among the people. To stop using the slogan "putting politics in command" will help negate completely "giving prominence to politics" and eliminate "left" influence.

Jiang Siyi said: Political work is the life-blood of our Army, but it does not justify what Lin Biao did to "put politics above everything else," "make everything give way to politics," and "give prominence to politics." Political work is a guarantee for exercising party leadership, implementing the party's line, principles, and policies, and accomplishing various tasks, but it cannot equate or replace party leadership. We should not put political work in a position of "commanding" and "leading" other work. Political work should be done in connection with and in the interest of other businesses. We should not play armchair politicians.

He pointed out: Political work should be done in consideration of the realities of the four modernizations and in the interest of economic development and building a modern, regular, and revolutionary army. Comrade Deng Xiaoping has pointed out recently that the most fundamental task during the socialist stage is to develop the productive forces. This means that doing a good job in economy is henceforth the primary emphasis of our political work. Without this primary emphasis, it will become armchair politics and depart from the greatest interest of the party and the people. At present, our fundamental political task is to give wide publicity to the theories, principles, and policies for building socialism with Chinese characteristics; and to help the cadres free themselves from the fetters of "left" thinking, do away with outmoded and erroneous old ideas and conventions that do not fit the reforms, enhance their consciousness of the need to implement the party's line, principles, and policies, and achieve a high degree of unity with the party Central Committee.

Jiang Siyi said: We are in a period of historical change. Political work is an indispensable guarantee for accomplishing the four modernizations. We should not belittle or slacken our political work in any way whatsoever. He emphasized that our political work should enlighten the people to know the four-modernizations and the reform programs are beneficial to our country, our Army, and ourselves, that the political work should guide people in correctly handling the relationship among the interests of the state, the collectives, and the individuals.

The academic discussion meeting on the political work of some military schools began on 12 July. Its central topic for discussion is the question concerning the reform of the political work of military schools during the new period.

INTRODUCTION TO PLA MILITARY TRAINING SCHOOLS

OW250741 Beijing XINHUA Domestic Service in Chinese 0213 GMT 24 Jul 84

[Text] Beijing, 24 Jul (XINHUA) Reference material: A Brief Introduction to Military Academies and Schools of the Chinese People's Liberation Army.

The military academies and schools of the Chinese People's Liberation Army are the bases for training cadres and a foundation for Army building. During the long revolutionary war, our party attached great importance to running military academies and schools well. With the attention of Comrades Deng Xiaoping and Ye Jianying and the Central Military Commission, since the downfall of the "gang of four," building military academies and schools has been greatly stepped up. After several restorations, additions and readjustments, a military school system that basically meets the Army's modernization drive has been set up in a fairly short time.

The People's Liberation Army now has more than 100 military academies and schools. They are in two major categories: the command schools and the specialized technical schools. The command schools are in junior, intermediate, and senior levels, selectively training platoon level, regimental level, and corps level commanding cadres. The specialized technical schools are in intermediate and advanced levels.

The junior level command schools enroll outstanding PLA squad leaders and fighters of senior middle school graduate level education and the current year's local senior middle school graduates, and train them to become platoon commanders of various branches, naval ship's department heads, pilots (current year senior middle school graduates only), and company quartermasters. The training is at the same level as either specialized secondary school education or regular college courses.

The intermediate level command schools enroll battalion level, deputy regimental level, and a small number of outstanding company level command cadres who graduated from junior level command schools and train them to become regimental level military, political, and logistics commanding cadres and staff personnel for division and regimental level organs. The schools primarily teach division level and regimental level tactics and organization and command of joint operations.

The senior level command schools enroll division level and a small number of outstanding regimental level commanding cadres who graduated from intermediate level command schools, and train them to become senior military, political and logistics commanding cadres and senior staff personnel. The trainees primarily study strategy and the organization and command of military campaigns.

The intermediate specialized technical schools offer 2-year courses to train intermediate level specialized and technical military cadres and medical cadres. The advanced specialized technical schools offer 3-year specialized college courses and 4-to-6-year regular college courses to train advanced specialized technical cadres for the Armed Forces.

A basic principle for military school management is that under the unified leadership of the Central Military Commission, military academies and schools are subordinated either to any of the PLA General Departments or to any of the major PLA units.

Training Modernized

OW250757 Beijing XINHUA Domestic Service in Chinese 0245 GMT 24 Jul 84

[Excerpts] Beijing, 24 Jul (XINHUA) -- Han Huaizhi, assistant to the People's Liberation Army chief of the General Staff, pointed out during a recent interview with XINHUA reporters that the military academies and schools of the People's Liberation Army are training qualified personnel, who are good morally, intellectually, and physically for the modernization of our national defense.

He said: According to latest statistics, 96.5 percent of the corps-level leading cadres, 87 percent of the division level leading cadres, and 71 percent of the regimental level leading cadres have been trained by military academies and schools. The statistics indicate that these cadres have reached college level in specialized knowledge.

Han Huaizhi said: Since the 3d Plenary Session of the 11th CPC Central Committee, the Central Military Commission has successively held two all-Army conferences of military academies and schools and seriously implemented Military Commission Chairman Deng Xiaoping's suggestion on stepping up the building of military academies and schools. It has also cleared the influence of "left" thinking in all fields and completed the arduous task of setting things right. It is gradually fulfilling the "four-willingnesses" demand put forward by the Military Commission Vice Chairman Yang Shangkun. The demand calls for willingness to transfer the best cadres out of one's unit to run military academies and schools, willingness to send outstanding cadres and fighters to study in military academies and schools, willingness to issue advanced technical equipment to military academies and schools, and willingness to spend money if necessary. The building of military academies and schools has entered a new period.

On future development of military academies and schools, Han Huaizhi said: At present, a high tide of technological revolution centering on electronic information is coming and the military academies and schools of the People's Liberation Army are facing an unprecedented new situation that generates some new characteristics of their work. Military Commission Chairman Deng Xiaoping has pointed out that education must be geared to the needs of the modernization drive and take into account the world situation and possible future trends. This viewpoint conforms to the realities of future wars, scientific and technological development, and the building of the People's Liberation Army. It is fundamental guidance for reforming the work of the military academies and schools of the People's Liberation Army.

At present and for a period in the future, we should continue to do a good job in reforming the work of military academies and schools on the existing foundation. We should take a further step to establish a PLA military school system and an organizational structure of the military academies and schools that conform to China's realities and have the PLA characteristics. We should formulate scientific rules and regulations, gradually modernize school management, and accelerate reforms to meet the needs of building a modern, regular, and revolutionary Army.

GIST OF 2D VOLUME OF CHEN YUN'S SELECTED WORKS

OW240140 Beijing XINHUA Domestic Service in Chinese 0741 GMT 14 Jul 84

[Capitalized passages published in boldface]

[Text] Beijing, 14 Jul (XINHUA) -- Gist of the second volume of the "Selected Works of Chen Yun":

The volume contains the principal works of Comrade Chen Yun during the 7 years from August 1949 to July 1956. This was a period when the Communist Party of China carried out step-by-step the great historical change from new democracy to socialism after it had led the people of the whole country to wage a 28-year hard struggle to overthrow the reactionary imperialist, feudalist, and bureaucrat-capitalist rule. The transition from new democracy to socialism was an inevitable trend in the development of China's history. However, it was an extremely arduous and complicated task to establish a brand-new socialist system in such a big country as ours, which was very backward in politics, economy, culture, science, and technology and had suffered the wounds of prolonged war.

The Communist Party of China headed by Comrade Mao Zedong successfully carried out the historical task of establishing the socialist system in our country and enriched and developed Marxism-Leninism by taking advantage of the political and economic conditions created by the victory of the new democratic revolution. The accomplishments made by our people during these 7 years under the leadership of the Communist Party of China were great and their victories were brilliant. At that time Comrade Chen Yun was a member of the Political Bureau of the CPC Central Committee, vice premier of the Government Administration Council of the Central People's Government, and chairman of the Committee of Financial and Economic Affairs. At the Third Plenary Session of the Seventh CPC Central Committee in June 1950, he was elected member of the Central Committee's Secretariat at the proposal of Comrade Mao Zedong. His works during this period constitute an important component part of the records of the above-mentioned successful struggle.

This volume of selected works of Comrade Chen Yun contains 52 works, of which 36 are openly published for the first time. These works show prominently the successful experience of our party in conducting the three big "operations" on the economic front to lay a foundation for socialism after New China was founded, namely, centralization of the country's financial and economic work and stabilization of commodity prices, adoption of state monopoly of the purchase and marketing of grain and several other staple farm products, and socialist transformation of private ownership of the means of production, in addition to the work of confiscating bureaucrat-capitalist enterprises and transforming them into state-owned socialist enterprises, completing agrarian reform in newly liberated areas, and developing the movements against the "three evils" and "five evils."

They also state certain shortcomings and deviations in the work and some specific proposals for reforming the economic management system following the basic completion of socialist transformation. These works also reflect the outstanding contributions Comrade Chen Yun made in the serious struggle to conduct the three major "operations" and in the course of quickly rehabilitating China's national economy and developing economic construction as planned by upholding the principle of seeking truth from facts, making in-depth investigations and studies of the new situation and new problems, and promptly summing up experiences and drawing lessons in order to work out practical, correct, and effective principles, policies, and measures.

With the war of liberation going on victoriously throughout the country in the second half of 1949, we took over the properties left behind by imperialism in China, confiscated bureaucrat-capitalist enterprises, and seized the nation's economic lifelines. However, we could not extricate ourselves from the environment of war and from economic difficulties. In addition, imperialism had imposed military and economic blockades against us. The struggle that lay ahead was even more serious. This struggle manifested itself not only in the political and military fields, but even more seriously in the economic field.

At that time, our most arduous task was how to rapidly revive war-devastated industrial and agricultural production, transportation, and communications; end the skyrocketing rise of prices caused by galloping inflation the Kuomintang regime left behind; and end the practice of relying solely on issuing banknotes to cover the huge financial deficits. It was in this difficult period that Comrade Chen Yun was entrusted by the CPC Central Committee to preside over a meeting in Shanghai of leading cadres in the financial and economic fields from east China, north China, central China, northeast China, and northwest China from 27 July to 15 August.

Those attending the meeting were divided into four groups -- dealing with comprehensive survey, finance, banking, and trade -- to study carefully problems on how to overcome difficulties in the financial and economic fields in the whole country and improve the situation for the next year and how to ensure the supply of important materials to Shanghai, a big city and industrial center.

"OVERCOME SERIOUS FINANCIAL AND ECONOMIC DIFFICULTIES" and "QUESTIONS TO WHICH ATTENTION SHOULD BE PAID IN CURRENT FINANCIAL AND ECONOMIC WORK" are the titles of a speech Comrade Chen Yun delivered at the meeting in Shanghai on financial and economic work and the summary he made at the end of the meeting. In the speech and summary, he analyzed the basic military and economic situation in China at that time and advanced principles, steps, and measures to overcome the serious financial and economic difficulties.

Comrade Chen Yun pointed out: Workers in the financial and economic fields must turn their eyes toward developing the economy. They must pay attention to reducing expenditures. But, more important is to pay attention to increasing revenues. Reducing expenditures is important, but increasing revenues is even more important. At the same time, we must be good at adopting all types of measures to achieve a single goal. That is, to maintain a fine situation in finance and commodity prices and ensure the supply of grain and other important materials.

In the light of the situation, with management of the financial and economic work decentralized in the various liberated areas and with nationwide liberation rapidly approaching, Comrade Chen Yun particularly stressed the need to solve financial and economic problems from the national point of view. He said: If all localities think only about themselves and do whatever they like in a decentralized manner, it will be impossible to cope with the difficult situation at present, and the national economy and people's livelihood will be adversely affected. The principle asserted by Comrade Chen Yun helped the central authorities to concentrate all major reserve forces in the various localities and systematically and rationally utilize these reserve forces in a unified manner to overcome the temporary difficulties.

"THE WORKING CLASS SHOULD RAISE POLITICAL AWARENESS" is an excerpt of Comrade Chen Yun's speech he delivered in August 1949 at the enlarged meeting of the preparatory committee of the Shanghai Municipal Federation of Trade Unions. In his speech he advanced issues on the need to raise political awareness by the working class under the new historical conditions with the working class having seized political power. He points out: This awareness means the awareness of New China's leading class and the awareness of the masters of the nation. At the present time, this means working hard to increase production and overcome difficulties. Comrade Chen Yun said: The time needed to overcome the state's financial and economic difficulties is determined by the following three factors:

1. The speed in liberating the whole country;
2. The quality of the work of the government; and
3. The awareness of the working class.

So long as the working class and the people's government join efforts to do what they can, they will definitely be able to overcome difficulties.

"NEW AND OLD CADRES SHOULD UNITE" and "TECHNICIANS ARE AN INDISPENSABLE FORCE IN THE INDUSTRIALIZATION OF OUR COUNTRY" were Comrade Chen Yun's speeches at two meetings held in November and December 1949 respectively. These two speeches raised the questions of how to take a correct attitude toward intellectuals and how intellectuals should remold their thinking. Comrade Chen Yun pointed out: Technical and managerial personnel are our "national treasures" and an indispensable force in the industrialization of our country. We should use them very well. We should have confidence in them and give them necessary assurances in their material requirements so that they will not have to worry about the daily life of their families. In the speeches, Comrade Chen Yun also pointed to the fact that at that time some technicians who had worked in the old society still had such failings as cherishing a blind worship and unrealistic illusions toward capitalist countries, styling themselves as being aloof from politics and material pursuits and looking down upon workers. He held that intellectuals needed ideological remodeling if they were to really serve the people well.

"CHECK THE SKYROCKETING OF COMMODITY PRICES," "SEVERAL SUGGESTIONS ON MARKET PRICE CONTROL," "ISSUE GOVERNMENT BONDS TO MAKE UP THE FINANCIAL DEFICIT," "PLANS FOR ISSUING GOVERNMENT BONDS AND CURRENCY," "THE SITUATION OF INDUSTRY AND COMMERCE IN SHANGHAI," and "TWO 10-DAY FINANCIAL AND ECONOMIC REPORTS" were directives and reports Comrade Chen Yun drafted for the Committee on Financial and Economic Affairs of the Government Administration Council and to the CPC Central Committee and the Central People's Government during the period from November 1949 to February 1950. These documents analyzed the main reasons for the serious devaluation of the currency and the sharp price rises throughout the country since 15 October 1949, attributing them to the government's enormous financial deficit and excessive issuance of paper money. Based on the state's actual economic strength, the documents proposed a number of detailed measures to make up the deficit and stabilize market prices.

The principal measures were: to gather grain, cotton yarn, and cloth, and other important materials from the whole country and sell them in all the big cities when their market prices were high and to tighten the money market in various ways including suspending loans, levying several new taxes, and issuing government bonds. In this connection, Comrade Chen Yun explained: The essence of the present question is whether we should levy more taxes and issue less paper money or vice versa. These are the only two ways open to us.

Comparing tax collection with currency issue, it would be less harmful to levy more taxes if at all possible than issue more paper money. In doing this, we will put some additional burdens on industry and commerce, but commodity prices will be stabilized, and our economy will gradually develop. For this reason, it is still an advanced measure. Comrade Chen Yun explained further: The purpose of issuing government bonds is to make up for some of the financial deficit. Under the condition of nationwide economic difficulties, it will be a burden on the people for them to buy government bonds. But this burden is much less serious than the loss caused by the increased issuance of paper money and the devaluation of the currency.

Comrade Chen Yun went on to explain: In tightening the money market, we should be very careful and should not make the money market too tight. We should see to it that our work in this respect is done appropriately to achieve the objectives of selling government bonds and recovering currency while preventing the plummeting of commodity prices that would bring difficulties to industry and commerce. Application of these measures proposed by Comrade Chen Yun dealt a heavy blow on speculating capital that had driven up commodity prices and enabled us to gain fully the initiative in stabilizing the market and controlling prices.

"UNIFY FINANCIAL AND ECONOMIC WORK" and "WHY SHOULD FINANCIAL AND ECONOMIC WORK BE UNIFIED" were a decision of the Government Administration Council drafted by Comrade Chen Yun and an editorial he wrote for RENMIN RIBAO in March 1950. These two documents expounded on the fact that adopting the principle of unifying the state's financial and economic work is conducive to radically changing the nationwide problem of unbalanced revenue and expenditure and unstable currency and prices. Bringing the state's financial and economic work basically under centralized management instead of decentralized management -- which was basically the case in the past -- was a major step taken on the economic front in the early period after the founding of New China.

This measure, in the main, stipulated centralized management of financial revenue and expenditure with emphasis on the former. At the same time, it called for reducing all spending that could be reduced and postponing all projects that should be postponed so as to concentrate financial resources to meet the military need of wiping out the remnant enemy forces and to rehabilitate certain key aspects of the economy. The decision of the Government Administration Council was worked out on the basis of opinions expressed in the course of discussions at the February 1950 national financial work conference presided over and called by Comrade Chen Yun.

"FINANCIAL AND ECONOMIC WORKERS SHOULD RAISE THEIR CONSCIOUSNESS" was a speech by Comrade Chen Yun at this conference. Comrade Chen Yun stressed: To overcome the tentative financial difficulty, and advance on the basis of a backward and poor economy, it is imperative to concentrate our material and financial resources in every way possible and use them under a unified plan. So long as we concentrate our resources and use them where they are absolutely needed, we are quite able to accomplish several major projects. In no way should we be shortsighted and do a number of things in a disorderly, unplanned way.

Comrade Chen Yun also stressed that leading comrades in financial and economic departments should be the first to raise their consciousness, and should educate other comrades doing financial and economic work to understand the principle that the part should be subordinate to the whole, local interests subordinate to central interests, and present interests subordinate to long-term interests, and to uphold the thinking of paying attention to overall needs in order to avoid being bogged down in the concept of local interests and selfish departmentalism.

He said: In the people's government, the criterion for judging the property of a government functionary's work in handling financial and economic questions is not merely whether he commits embezzlement or is honest in performing his duty -- embezzlement is a crime; honesty is a must. The chief criterion is whether he wastes money or not. Here, waste does not merely mean using money in an extravagant and improper way. In particular, it means paying no attention to the priority of importance and urgency, and the distinction between the needs of the part and the whole in doing work and using money.

As a result of the resolute efforts in all localities to implement the Government Administration Council's decision, by April and May of the same year the financial and economic work in the whole country was, by and large, brought under centralized leadership and financial revenue and expenditure were nearly balanced. By that time, currency and prices had become stable, the aftermath of the vicious currency inflation during the Kuomintang regime period had completely disappeared, and our country's financial and economic situation had begun to take a turn for the better. This was a great victory on the economic front after the founding of New China. It marked a very important initial step in our nationwide work to establish a new-democratic economic order and transform the national economy.

"CHANGE THE STATE OF SLOW SELLING OF COMMODITIES," "ADJUST THE PUBLIC-PRIVATE RELATIONSHIP AND CONSOLIDATE THE TAX REVENUE," and "CURRENT ECONOMIC SITUATION AND MEASURES TO ADJUST INDUSTRY AND COMMERCE AS WELL AS TAX REVENUE" were reports that Comrade Chen Yun made in May and June 1950 at a meeting of directors of industrial and commercial bureaus, mostly from seven big cities in our country, the Third Plenary Session of the Seventh CPC Central Committee, and the Second Session of the First National Committee of the CPPCC. In these three reports, Comrade Chen Yun made a comprehensive analysis of the reasons for the slow sale of commodities and the work stoppage, or shutdown, of large numbers of privately owned factories and business firms after prices had been stabilized. He advanced the principle, policy, and measures for adjusting industry and commerce.

He said: In adjusting industry and commerce, emphasis should be laid on adjusting the relations between the public and private sectors of the economy, between labor and capital, and between production and marketing. In industry, the principal measure is for the state to arrange the privately owned factories' production and sales in a planned way, by placing orders with them for supply of goods, or for doing processing work. In the meantime, the state should purchase farm produce to expand the domestic market for industrial products. In commerce, the principal measures are for the state to use its price policy and the method of separating the scopes of operations of public and private commercial units, to enable retail dealers and businessmen in remote areas to make appropriate profits. Efforts should also be made to open channels for commodity circulation to help in resuming and developing production.

Comrade Chen Yun further pointed out: Under the present circumstances, we are especially required to see to it that, under the leadership of the state-owned economy, all five sectors of our economy are taken care of under an overall plan, with each playing its due role. This is because privately owned factories can help increase production, privately owned business units can help facilitate the flow of commodities, and both can help resolve the unemployment problem, thus benefitting the people. Only when all five sectors of the economy are taken care of, under an overall plan, can all "advance together" to practice the system of new democracy, and to enter into socialism in the future. He said: In mapping out an economic plan, it is necessary to include both the public and private sectors in order to be able to plan the national economy as a whole. In the past we did not have a plan for production. It is necessary to use planning as a means to eliminate anarchism. The series of principles, policies, and methods formulated by Comrade Chen Yun not only helped private industry and commerce, which are beneficial to the national economy and the people's livelihood, to overcome difficulties and advance but also, to a certain extent, restricted capitalist exploitation, guiding it to embark on the road of state capitalism. This was a historic turning point of transforming the semicolonial and semifeudal economy into an independent economy of new democracy in the country.

In reviewing economic work during this period, Comrade Chen Yun said in April 1951: Much has been done in the previous year, but mainly centered around two key points, centralizing financial and economic management and adjusting industry and commerce. Centralized supervision of financial and economic work has stabilized prices, but commodities are moving sluggishly. The successive adjustment of industry and commerce has improved the situation. We will centralize financial and economic management before June and adjust industry and commerce afterwards. These two things will ensure stability in the country.

"PRINCIPLES FOR FINANCIAL AND ECONOMIC WORK FOLLOWING THE COMMENCEMENT OF THE MOVEMENT TO RESIST U.S. AGGRESSION AND AID KOREA" and "MAIN POINTS OF FINANCIAL AND ECONOMIC WORK FOR 1951" were Comrade Chen Yun's speeches at a national financial conference in November 1950 and the first national organizational work of the CPC in April 1951. The speeches analyzed the situation in the wake of the war to resist U.S. aggression and aid Korea and suggest a new policy on financial and economic work for 1951, that gave priority to ensuring the needs of war, then stabilizing the market, and finally appropriating investments in economic and cultural construction. It was called the policy of carrying out resistance, stabilization, and construction at the same time.

Comrade Chen Yun pointed out: In appropriating financial expenditures, we must differentiate between what is primary and what is secondary and must not give equal attention to all expenditures. As in a war, which requires us to concentrate troops on the main direction of the attack, we must concentrate financial resources on major sectors and major problems.

Citing historical facts following the founding of the country, Comrade Chen Yun pointed out: It is very important for an unified country to maintain stable commodity prices. The method of stabilizing prices is not by issuing more currency but through efforts to balance financial revenues and expenditures and reduce and finally eliminate deficits. In accordance with the actual situation of that time, Comrade Chen Yun pointed out: The main point of financial and economic work for 1951 is to give priority to urban and rural exchanges; first of all, to expanding procurement and marketing of agricultural, subsidiary, and native products in order to push the rural economy and, in turn, promote prosperity in the cities. Owing to the implementation of this correct policy, we were able to ensure the needs of the war to resist U.S. aggression and aid Korea and stabilize the domestic market despite our weak economy at that time.

"MAKE A SUCCESS OF THE WORK OF THE FEDERATION OF INDUSTRY AND COMMERCE" was Comrade Chen Yun's summary speech at a meeting called by the United Front Work Department of the CPC Central Committee in July 1951 to discuss the work of the Federation of Industry and Commerce. The speech analyzed the basic situation after adjusting industry and commerce and presented our party's countermeasures to establish and further improve the organization of the Federation of Industry and Commerce. Comrade Chen Yun pointed out: Improvement of industry and commerce in the country has been uneven. Some sectors achieved progress while others have shut down. This uneven improvement, which is perfectly normal, reflects the restructuring of the Chinese economy. In this restructured economy, a new economic course -- the economy of new democracy -- will replace the old economic course -- the economy of imperialism, feudalism, and bureaucrat-capitalism.

Therefore, we should, first of all, welcome the development of private industry and commerce, which are beneficial to the national economy and the people's livelihood. Second, we should help private industry and commerce that have developed under the colonial or semicolonial economy to shift to other fields. Third, we should strengthen the leadership over state economy and state planning.

Comrade Chen Yun pointed out, in particular, that in the past he had discussed only leadership over state economy. This was the first time he mentioned leadership over state planning as it might become an important weapon in the struggle between the public and private sectors from now on. Our party's practice in socialist transformation of capitalist industry and commerce proves that Comrade Chen Yun's judgment was completely correct.

"BUILD A MIGHTY GEOLOGICAL WORKERS CONTINGENT" was Comrade Chen Yun's speech at the National Geological Planning Conference in December 1952. In that speech he presented the principles and methods of resolving the problem of having insufficient technical forces to handle the large-scale economic construction projects planned to begin shortly after our nation's economic recovery. Comrade Chen Yun pointed out that the problem could be handled only in accordance with one of the following two principles: First, plan our work according to the available forces; second, strive to accomplish the state plans according to the nation's needs, and if there was a shortage of technical forces, study how to increase them. After discussion, the second principle was decided upon. He also pointed out three ways to increase our technical forces: setting up schools and training classes, and at the same time instituting an apprenticeship system for training the needed personnel by specialists; utilizing the qualified personnel rationally; and improving the skills of the available working personnel.

"SEVERAL SUGGESTIONS ON FINANCIAL AND ECONOMIC WORK" was Comrade Chen Yun's speech at a meeting of the National Financial and Economic Conference Leading Group held in August 1953. In that speech Comrade Chen Yun discussed certain financial and economic principles and policies. He pointed out that the issue of commodity prices must never be handled cautiously and the steps must be reliable. It is much easier to reduce prices than to raise them. Raising prices after reducing them would give rise to complaints among the people. Prices of different commodities should be treated differently. We should reduce the prices of those commodities that can afford a price reduction; we should not reduce the prices of those commodities that cannot afford a price reduction for the time being.

Price reduction alone does not necessarily mean the people will benefit. Comrade Chen Yun pointed out: Although a communist government must never forget its objective of narrowing the scissors difference of the prices of industrial and agricultural goods, it should not think that this objective can be quickly accomplished. This is because we must accumulate more funds for expanding production. The state's main objective in the future will be to concentrate its financial resources on main construction projects. The state should defer transferring its financial power to lower departments if such a transference is deferrable, or inconsequential. He also pointed out: Although we should reestablish and expand the state-run commercial bastions, we should not elbow out businessmen indiscriminately. Today it seems that we have committed the mistake of leaning to the right because we have failed to take over certain bastions that we ought to have taken over. But we must not make the mistake of leaning to the "left", thinking that being "left is better than being right."

In his article "SOLVE THE DIFFICULTIES IN PRIVATE INDUSTRIAL PRODUCTION" published in December 1954, Comrade Chen Yun pointed out: Although we all realize that we should treat different economic elements differently, we have been too drastic in restricting and transforming the private businesses, and we should make some readjustments if our pace is too quick. These opinions of Comrade Chen Yun's were a summation of some of our actual experiences in handling our financial and economic work during the early days after the founding of the republic.

"ESTABLISH STATE MONOPOLY OVER THE PURCHASE AND MARKETING OF GRAIN" was Comrade Chen Yun's speech at the national foodgrain conference held in October 1953. In view of the serious shortage of foodgrain supply across the country in those days, he explained in detail in that speech the necessity of implementing the policy of establishing a state monopoly over the purchase and marketing of foodgrain, and the basic methods of implementing this policy. Comrade Chen Yun pointed out: The issue of foodgrain supply and marketing involves four different types of relationships: the relationship between the state and consumers; the relationship between the state and businessmen; and the relationship between the central authorities and the local authorities, including the relationship among various local authorities themselves. Of these four types of relationships, the first two are hard to handle, the first one being the hardest.

In light of the situation in those days, the fundamental methods for handling those relationships included requisitioning foodgrain in the countryside, rationing it in cities, exercising strict control over businessmen, and readjusting the internal relations, with the requisitioning of foodgrain as the key issue. The rationing system would be easy to carry out if foodgrain is available. In accordance with Comrade Chen Yun's suggestion, the party Central Committee and the Government Administration Council [replaced in 1954 by the State Council] issued certain major policy decisions on establishing a state monopoly over the purchase and marketing of grain. The implementation of these policy decisions not only safeguarded the needs of socialist construction and the people's fundamental means of living but they also eliminated all types of ills of private capitalist operation, thus bringing about the initial success of severing the economic ties between the bourgeoisie and the peasants, and enhancing the state's socialist transformation of agriculture, the handicraft industry, and capitalist industrial and commercial operations.

However, between the spring and summer of 1955, foodgrain consumption increased abnormally in cities and rural areas across the country, and many more rural families complained about the "grain shortage." At that time, some people asked whether the state should end its monopoly over the purchase and marketing of grain. Comrade Chen Yun rejected this erroneous proposal in his article "UPHOLD AND IMPROVE THE STATE MONOPOLY FOR PURCHASE AND MARKETING OF GRAIN," which was a speech he delivered at the Second Session of the First NPC in July 1955. He pointed out that while it was true the nation must increase grain output by developing production in order to achieve a fundamental improvement of the foodgrain situation, to rationally solve the problem of supply would in turn promote production; therefore an understanding of the interrelationship of production and supply was needed. After making a comprehensive and detailed analysis of the situation of production and state monopoly over the purchase and marketing of foodgrain, he held that the state must firmly uphold the policy of exercising monopoly over the purchase and marketing of foodgrain because this policy would benefit the state and the people. But he maintained that it was necessary to improve the operation step by step. Comrade Chen Yun pointed out: In addition to lack of experience, the state's problems in exercising monopoly over the purchase and marketing of grain stem primarily from its being unable to assess accurately the output and the surplus or shortage because there are so many individual rural families. For this reason, he proposed that it was necessary to reach an agreement with the peasants on setting fixed quotas for output, procurement, and marketing. With implementation of this measure, known as the "three fixes," the peasants became more willing to produce, the grain market and social order became stabilized, and the state's monopoly over the purchase and marketing of grain was significantly improved.

"IMPROVE THE PRODUCTION AND MARKETING OF NONSTAPLE FOODS" was a report the Financial and Economic Commission of the Government Administrative Council drafted under Comrade Chen Yun's supervision; it was presented to the CPC Central Committee in November 1953. The report, approved by the CPC Central Committee in December the same year, analyzed the causes of shortages in the supply of pork, eggs, aquatic products, vegetables, dehydrated vegetables, fruits, and other nonstaple foods in various major cities and industrial and mining areas in 1953, and presented a series of specific measures to improve production and marketing of nonstaple foods. Comrade Chen Yun urged the state-operated commercial departments to heighten their understanding of this issue and strive to do a good job in administering the supply of nonstaple foods. He pointed out: The proportion of nonstaple food consumption is larger than that of staple food among residents of cities and industrial and mining areas, but since production is highly decentralized and supply is highly centralized, seasonal adjustment of supply is relatively difficult between cities and rural areas. If administration of nonstaple food and control over the market are relaxed, there will be dislocation between supply and demand and fluctuation of prices, and the people's life will be affected.

"HIGH-LEVEL LEADERS SHOULD RAISE THEIR REVOLUTIONARY AWARENESS" was Comrade Chen Yun's speech at the 4th Plenary Session of the 7th CPC Central Committee in February 1954. In that speech, Comrade Chen Yun profoundly summed up the historical lesson learned from the emergence of such careerists as Zhang Guotao within the party, and presented the highly crucial question of how to safeguard party unity and prevent party division. Comrade Chen Yun pointed out: The responsibility for safeguarding party unity and preventing party division lies primarily with the high-level leaders. Ranking leaders must heighten their revolutionary awareness, have a better revolutionary awareness, and never "catch cold"; they must also strictly abide by the party's institutions, regulations, and rules, and carry forward the party's fine work style because doing this is a reliable guarantee for our party's solidarity.

Comrade Chen Yun added: At first, our comrades came over for the sake of the revolution; then they became officials but still maintained their revolutionary character. As they rose to higher and higher positions, their appetite also became bigger and bigger; some people wanted only to become officials, and they completely forgot about the revolution. Since it is easy for cadres to become corrupted once they are in power, we should not be unrealistically optimistic about the situation within the party after it has taken over the political power. Comrade Chen Yun sincerely reminded the ranking leaders not to get carried away in an environment of victory. He said: Let us think, which one of the several major leading comrades who have fallen since the seventh party congress in 1945 fell because he was not arrogant and did not have on his back the big burden with the character "correct" on it? Whoever has on his back the burden of "correctness" will tumble. This is noteworthy.

"SOME EXPLANATIONS ON THE FIRST 5-YEAR PLAN" was a report written by Comrade Chen Yun to the party Central Committee in June 1954. In his report, Comrade Chen Yun comprehensively analyzed and suitably evaluated the favorable conditions and existing problems in carrying out the First 5-Year Plan. He also presented the issue of how to achieve an overall balance in national economy based on the actual situation in China. Comrade Chen Yun pointed out: The weakest link in the plan is agricultural production. Compared with industrial construction and what the people need in their livelihood, the situation will be tight in agricultural production even if targets are fulfilled. Industrial production plans can be fulfilled, but it is impossible to change the situation with the defense industry doing an outstanding job, the petroleum industry lagging behind and coal and power in short supply.

The situation in railway transport is also tense. The fact that not enough cadres have been trained is a difficult problem to resolve in the First 5-Year Plan. Raising procurement prices for farm products, reducing prices of manufactured goods, and increasing wages are good things and should be carried out, but such practices must not be carried out too early. They must be carried out with extreme caution and within the limits of our own resources. In terms of finance, we must do whatever we can afford to do. Therefore, we must oppose two trends: One is premature advance. That is, to spend all revenue in one stroke, and stop halfway as the budget runs out of control. Another one is the conservative trend of refusing to spend money, thus hampering construction.

In this explanation, Comrade Chen Yun also gave a theoretical exposition of the question of the proportionate growth of various sectors. This principle must be adhered to, but the specific proportion of various production departments differs in various countries or even in different periods in the same country. The only method is to see if a balance has been achieved. Generally, those that are growing proportionally must be in balance, while those that are in balance must be growing proportionally. China is economically backward; therefore, it must catch up with other countries within a short period.

Thus, the planned balance is a type of precarious balance. It is impossible to achieve a smooth balance in everything. Nor is it possible to make rapid progress in all sectors of the national economy. However, the balance should not be precarious to the point of being upset. This explanation written by Comrade Chen Yun was the basic guideline for China in drawing up and carrying out the First 5-Year Plan. The First 5-Year Plan scored tremendous achievements and accumulated useful experience in correctly guiding planned economy.

"STRENGTHEN MARKET CONTROL AND TRANSFORM PRIVATE COMMERCE" was a directive of the party Central Committee drafted by Comrade Chen Yun in July 1954. The Directive said: The reason for supply falling short of demand is: The rate of growth of the purchasing power of society exceeds that of consumer goods such as food, clothing and daily commodities, and the means of production in agriculture. It pointed out: To control commodity supply by means of planned procurement and to regulate sales volume by planned supply are the two indispensable steps needed to continuously maintain steady commodity prices on the market.

It stipulated that in dealing with private commercial establishments, we must not elbow them aside without giving them supervision. We must adopt the method of helping them advance and making adequate arrangements for them and the method of helping some of them forge ahead while making adequate arrangements for others; and must transform the private retailers and wholesalers step by step to become state capitalist commercial establishments of all types.

This directive also emphatically pointed out: The sphere of activities of China's old free market has greatly shrunk, while the unified management of state commerce over the whole market and its leadership and supervision over private commerce has been further strengthened and consolidated with each passing day. This sort of change and reshuffling in market relations constitutes a prerequisite for the state to help private commerce carry out socialist transformation.

"ON PLANNED PURCHASE AND SUPPLY" was a speech delivered by Comrade Chen Yun in September 1954 at the First Session of the First NPC. In his speech, he explained that the policy of planned purchases would be continuously implemented, because on the one hand, it is absolutely necessary for the state to have a firm grip of all supplies of goods to ensure its construction in a planned manner. On the other hand, this is also a socialist step to help peasants obtain goods without being exploited by others. Planned supply can only be a temporary measure. As soon as the production of consumer goods reaches the stage of being able to supply the market with ample goods, the methods of rationing must be abolished. However, the day to abolish the planned supply of grain, oil-bearing crops, and cloth is still far away.

"THE NEW SITUATION AND TASKS OF TRANSFORMATION OF CAPITALIST INDUSTRY AND COMMERCE" was a report Comrade Chen Yun delivered at the CPC Central Committee's November 1955 conference on socialist transformation of capitalist industry and commerce. Following the upsurge in the cooperative transformation of agriculture, a new situation, characterized by joint state-private ownership of all enterprises, also emerged during socialist transformation of capitalist industry and commerce. Comrade Chen Yun pointed out in that report that the problem in those days was to continue to push socialist transformation forward.

To this end, he proposed these six measures: The state must make overall arrangements for the production of all enterprises across the country; all enterprises must undergo either major or minor reorganization; all enterprises should be jointly owned by the state and private owners; an annual rate of interest should be paid by the state to the national bourgeoisie on the monetary value of their assets over a given period of time; specialized corporations should be set up to administer various enterprises; and all these projects should be planned in an overall manner, and leadership over them should be strengthened. These measures later became major steps for the overall transformation of the nation's capitalist, privately-owned enterprises into socialist, publicly-owned enterprises.

Two articles, namely "QUESTIONS DESERVING ATTENTION CONCERNING JOINT PUBLIC-PRIVATE OWNERSHIP" and "METHODS FOR SOLVING SOME QUESTIONS AFTER THE ESTABLISHMENT OF JOINT PUBLIC-PRIVATE OWNERSHIP," are Comrade Chen Yun's speeches at the sixth supreme conference and the national congress of representatives of dependents of industrialists and merchants and female industrialists and businesswomen, held respectively in January and March of 1956. In these two speeches, as well as in "SPEECH AT THE THIRD SESSION OF THE FIRST NATIONAL PEOPLE'S CONGRESS" he gave in June 1956, Comrade Chen Yun further expounded the party's specific policies for socialist transformation of capitalist enterprises by pointing out how to correct the tendency of unrealistic centralization or merger of businesses during the upsurge in socialist transformation of capitalist enterprises, and how to prevent quality and quantity of commodities from declining.

Comrade Chen Yun pointed out: The approval of joint state-private ownership does not mean that the transformation has been completed; it shows that transformation has just started. This is because joint state-private ownership requires checking assets and capital, planning production, reorganizing enterprises, placing personnel at various posts, and establishing specialized corporations -- tasks that have not yet begun.

He maintained that reorganization of enterprises meant only slight transformation or merger of the original factories and shops, and not full-scale amalgamation of all of them. That is to say, there should only be slight readjustment in an essentially unchanged operation. He said: When a small shop run by husband and wife becomes owned by the state and the couple, it should become an agent selling goods or providing services for the state on commission; otherwise the couple's enthusiasm to do business will drop sharply, and if this happens, the consumers will be greatly inconvenienced. Comrade Chen Yun proposed that while the capitalists and their representatives should be assigned to be managers of their enterprises so that their technical skills and professional experiences could be utilized, their thinking should also be transformed so that they would become self-supporting workers and cadres of socialist enterprises.

He also pointed out that after a privately-owned business becomes a joint state-private business, its original way of production and operation should be maintained for some time so that the quality of its goods would not become inferior and the varieties of goods would not decrease. Since this situation had appeared when the state started to monopolize the purchase and marketing of goods, and it might reappear after the system of joint state-private ownership had been adopted, he suggested some preventive measures. He proposed, for example, that the state should not monopolize the purchase and marketing of certain goods, but should give bonuses to the designers of merchandise, pay good prices for quality goods, assign special personnel to take charge of certain operations, and so forth.

"OVERCOME MALPRACTICE IN CONNECTION WITH MONOPOLIZED PURCHASES AND SOLVE SELLING RIGHTS" was Comrade Chen Yun's second speech at the Third Session of the First NPC. He pointed out in this speech that experience gained over 6 years showed that, although the measures of assigning enterprises to process goods on order, monopolizing the purchases of their goods and setting up sales agents to monopolize the marketing of their goods were correct and essential because they played a tremendous role in stabilizing the market and in utilizing, controlling, and transforming capitalist enterprises, they were nevertheless special, interim and tentative measures for administering production under specific historical conditions. When enterprises receiving fixed interests become joint state-private enterprises, new and better measures should be considered. The principal measures proposed by Comrade Chen Yun in this speech included: replacing the commercial departments, which administered the joint state-private enterprises by setting production quotas for them and by monopolizing the purchases and marketing of their goods, with specialized corporations organized by the industrial departments to administer these enterprises' production as well as the purchases and marketing of goods they produce. Processing job orders and commodity orders placed by commercial departments with state-operated factories and joint state-private factories will be in three forms: State monopolized purchase and marketing will be continued; the commercial departments will buy industrial products (such as articles for daily use) on a selective basis according to their quality and the market demand; and after selective purchase by the commercial departments, factories may sell the surplus goods themselves, or commission commercial departments to sell for them.

The business relationship between higher-level state commerce or supply and marketing cooperatives and their lower-level counterparts in various regions must be one in which the lower-level units buy goods from the higher-level units on a selective basis, rather than one in which the higher-level units allocate goods for the lower level units to sell. Local authorities around the country are not permitted to block the entry of commodities from other parts of the country into their localities, nor are they permitted to prevent local commercial organizations from buying good from other parts of the country.

Comrade Chen Yun held that these practices would be a great change in industrial production, commercial operation, and the industry-commerce relationship. However, it was only a change in the production-marketing relationship within socialist enterprises, because commodities concerning the national economy and people's livelihood, such as grain and cloth, were to remain under planned state allocation. This showed that we were practicing 'free sale and free purchase to a certain extent on a consolidated socialist foundation. In other words, we were practicing a free market within the limits of planned economy.

When Comrade Chen Yun was revising this speech in 1983, he gave the following explanation: The practice of selective purchase of commodities, such as daily use articles, proposed in my speech was only a tentative idea then which was in fact not realized at that time because of insufficient commodity supply. At present, we have a comparatively more abundant supply of many commodities and the consumers have more choices. Therefore, it is now practicable to practice gradually the selective purchase of some commodities.

"IT IS IMPERATIVE TO USE THE SERVICE OF PERSONNEL REPRESENTING INVESTORS" was a speech delivered by Comrade Chen Yun at a national meeting of the directors of the commerce departments or bureaus, the agricultural products purchasing departments or bureaus, and the supply and marketing cooperatives of various provinces, autonomous regions and municipalities in July 1956. The speech expounded the importance of a decision by the CPC Central Committee and the State Council to let the capitalists take part in business. It pointed out that in commercial work we should seriously sum up experience, change old practices, and adopt a set of new practices to fulfill the urgent task of meeting the needs of new environments.

Comrade Chen Yun pointed out: Many of our commercial measures and practices in the past were adopted in line with the policy of using, limiting, and transforming private industrial and commercial enterprises. We did a good job and made great achievements in those measures and practices. However, they also resulted in some negative factors, such as a general decline in the quality of products, reduced varieties and specifications of industrial products, unmarketability of goods, and lack of flexibility in the market due to excessive control. The system of ownership fundamentally changed after the practice of the joint state-private ownership. Our commercial policy must change according to a new situation. We should use a planned economy to manage the market well and prevent speculation and profiteering; and at the same time, we should also ensure lively activities on the market.

Comrade Chen Yun also vividly described some persons among old businessmen as those who "wore skullcaps and held water pipes in their hands," and who concentrated on pondering "strategic questions," such as what was in short supply, or what stock to replenish and when. Our commercial enterprises should also have such persons who pace up and down and concentrate on pondering "strategic questions."

He emphatically pointed out: It is time for commercial work to undergo changes. In order to adopt a set of new practices, we must study old practices, sum up past experience and use old businessmen's experience and foreign experience as our reference. There are many experiences which we should sum up. The important experiences are those concerning price policy, market management, commercial planning, financial management, labor wages, and political work. We should also sum up experiences concerning wholesaling, retail sales, and rice purchases, storage, and transport.

In addition, we should pay attention to studying the difference between socialist commerce and capitalist commerce. The task of inventing new practices based on past experience is even more important than our routine business. In this speech and the other speech, entitled "Overcome Malpractice in State Monopoly for Purchase and Marketing," Comrade Chen Yun explicitly pointed out as a guiding thought that we should practice planned economy and at the same time ensure lively activities on the market. This guiding thought is of great significance.

The publication of this volume of selected works will enable the broad masses of readers to acquire rich knowledge in the course of study. It will greatly help China's current socialist modernization, particularly our efforts to explore a way to build socialism with Chinese characteristics.

XINHUA VIEWS MAJOR TRENDS IN ECONOMIC DEVELOPMENT

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["Ten Major Trends in China's Economic Development in the Next Two Decades" -- XINHUA headline]

[Text] Beijing, 23 Jul (XINHUA) -- According to a SHIJIE JINGJI DAobao report, China is now in a new period of historical development. What changes will there be in China and how will the trends develop in the 2 decades between 1980 and 2000? These are issues of development strategy under study and exploration.

A few days ago, in an academic report delivered at the Hangzhou symposium on economic and social development strategy, Zhang Pan, deputy secretary general of the Technological and Economic Research Center of the State Council, summed up the development of China's macroeconomy into 10 aspects, namely, 10 major trends:

1. The trend of China's population shifting from agricultural to nonagricultural pursuits and from farming to diversified undertakings. With improvements in agricultural productivity, there will surely be a surplus in the agricultural population. Therefore, the shift from an agricultural population to a nonagricultural one and from a rural population to an urban population is a normal phenomenon. It is also a common phenomenon that has emerged in foreign countries in the course of their industrialization. In light of China's actual conditions, the path of urbanization of the population will be as follows: 1) On-the-spot transformation, that is, giving up farming without leaving villages, working in factories without living in cities, or taking up industrial work instead of engaging in agriculture in the localities; 2) vigorously develop market towns; by stages turn some 52,000 township seats throughout the country into small market towns which have transport facilities and exquisite environments, integrate industry with agriculture and town with country, and concentrate the rural population; and 3) appropriately develop medium-sized cities and keep the development of large cities under control.

The shift from an agricultural population to a nonagricultural one will also involve employment problems. The stress of future employment will probably shift as follows: a shift from primarily material production to primarily nonmaterial production; a shift from primarily agricultural cultivation to primarily diversified industrial and commercial undertakings; a shift from the unitary system of public ownership to one with the various economic forms as the main feature; and a shift from stressing the increase of labor amount to stressing the improvement of labor productivity.

2. The trend of shifting from deterioration to a virtuous balance in the environment and ecology.

3. The trend of shifting from a backward economic structure to a rational economic structure. The current outstanding problems in China's economic structure is the failure of building the infrastructure, such as energy, transport and communications, and telecommunications, to keep pace with the needs of economic development. In the field of energy, we should speed up the technological transformation of the existing enterprises, raise the proportion of high-quality energy, and improve the energy structure. In the field of transport and communications, we should take the main railway lines, sea transportation, and the Chang Jiang as the framework in the overall arrangements of the transportation network so that a transportation network extending to all parts of the country will be formed. The port cities and areas along the coast should concentrate on increasing the volume of freight handled and accelerate the construction of wharves and berths. It is also necessary to develop properly inland water transport, highway transport, and civil aviation. The transport of oil by pipeline should also be developed. In the field of telecommunications, it is necessary to change the practice of regarding telecommunications work as a nonproductive activity and to list telecommunications work as a service trade.

4. The trend of moving the focus of economic construction from the east to the west. Judging from the economic development of the country as a whole, in the 1980's the focal point of development will be in eastern China, but the focal point of investment and construction will gradually move to central China; in the 1990's, on the basis of fully utilizing the coastal areas, the focal point of investment and construction will be in central China; in 2000 or later, with the growth of the economic strength, the focal point of investment and construction will be placed on western China.

Judging from the different regions, eastern China should develop high-technology industries and industries with high added value and become a base for importing and absorbing advanced foreign technology, for expanding economic relations with foreign countries, and carrying out cooperation with the hinterland areas; central China should bring into full play the potential superiority of such industries as the national defense industry; and western China should bring into play its superiority in natural resources, step up the construction of transport facilities, and make preparations for the development of the great northwest in the future.

5. The trend of simultaneous development of industrialization and free access of information, with industrialization playing a leading role.

6. The trend of relying more on scientific and technological progress to attain economic growth.

7. The trend of development from the people having enough to eat and wear to the attainment of comparative prosperity (that is, a number of people becoming prosperous before others).

8. The trend of being more open to the outside world in economic relations with foreign countries.

9. The trend of development from a unitary economic element and operational pattern to diversified economic elements and operational patterns.

10. The trend of development in the economic system from relying mainly on administration and management to relying mainly on economic means.

JOINT CIRCULAR ISSUED ON PROTECTING SCENIC SPOTS

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[Text] Beijing, July 24 (XINHUA) -- Local authorities must inspect the facilities for protection of scenic spots and tighten up their management immediately, the general offices of the Chinese Communist Party Central Committee and the State Council said today. In a circular just issued, they endorse a composite report from the Zhejiang provincial party committee and the provincial government on investigation of unauthorized construction around the West Lake, a scenic spot in Hangzhou, capital of Zhejiang Province. "In the past few years," the circular says, "land in many scenic spots has been encroached on by construction projects without the approval of the local authorities, thus spoiling the natural scenery."

Party and state leaders have pointed out repeatedly that effective measures must be taken to stop unauthorized construction, while penalizing violators. The circular calls for all possible measures to improve the protection and management of the West Lake. From now on, no units, including departments under the CPC Central Committee and the State Council, organizations under the provincial and Hangzhou City governments or Army units, are allowed to construct or expand buildings irrelevant to scenic spots around the West Lake.

Existing hotels, guesthouses, hospitals and sanitoriums there may not be expanded, the circular says. Surplus land already occupied must be returned to the local government promptly.

All organizations and individuals must observe state and local laws and regulations concerning the protection of the West Lake, the circular says. Violators shall be dealt with according to party discipline and state laws. Since 1981, 123 units and 82 peasant households have put up unauthorized buildings totalling 56,683 square meters around the West Lake, according to an investigation by the Hangzhou City party committee and government.

FANG YI DISCUSSES RURAL TECHNOLOGY POLICY

OW242010 Beijing XINHUA Domestic Service in Chinese 1310 GMT 23 Jul 84

[Text] Beijing, 22 Jul (XINHUA) -- At a meeting which opened today to discuss and elaborate on the rural technology policy, member of the CPC Central Committee Political Bureau and State Councillor Fang Yi pointed out: The all-round rural construction program being carried out in our country has created a fresh impact on the work of science and technology in rural areas. Peasants have a more extensive and stronger demand for science and technology than ever before. There is an urgent need for a change in the organization, management system, and operational method for agro-science research and for the popularization of research results. We must open up a path for developing modern agricultural science and technology with Chinese characteristics.

Fang Yi said: Since the 3d Plenary Session of the 11th CPC Central Committee, we have corrected the problem of our relations of production not corresponding with our productive forces, and have stirred up the peasants' initiative by implementing a production responsibility system in agriculture. China's agriculture is advancing from the self-sufficient economy to the commodity economy and from traditional techniques to modern science and technology. The appearance of this historical change stems from two things: one is the policy; the other is science and technology. The policy on science and technology serves as a link between them.

He added: Since the policy of "taking measures suited to local conditions and developing diversified operations" was put into practice in our country's rural areas, the peasants have expanded their work beyond the confines of grain production and made a real effort to carry out all-round rural construction. Inevitably, this will spur on the development of all fields of science and technology in the rural areas.

Fang Yi said: In the rural areas of our country, there is now a great fervor among the masses to study and apply science on their own initiative and of their own free will. As such, our rural science and technology workers are confronted with a very arduous and heavy task, and there is much room for the development of science and technology in the countryside. For this reason, we should not only give play to the role of our traditional techniques, but should also make positive efforts to apply the new achievements in modern agro-technology and to formulate correct development strategy and technological policy for our rural areas.

The meeting to discuss and elaborate on the rural technology policy was jointly sponsored by the State Scientific and Technological Commission, the State Planning Commission, the State Economic Commission, and the China Rural Development Research Center.

STATE COUNCIL APPROVES JIANGSU REFORM PROJECT

OW231910 Beijing Domestic Service in Mandarin 2230 GMT 21 Jul 84

[Text] According to RENMIN RIBAO, the State Council has approved Jiangsu's experimental project comprehensive economic reform in Nanjing. The project will be significant in enlivening the economic development in areas on the lower reaches of the Chang Jiang, in exploring a path of carrying out economic reform in provincial capitals, in laying a multilayer economic groundwork system with large cities as the centers, and in giving full scope to the role of large cities as economic centers.

Guided by state and provincial plans, the projected reform aims at building an open economic network, with major cities as the centers, on the foundation of petroleum, chemical, and electronics industries, manufacturing of instrument and machinery, and production of construction materials; bringing about a harmonious and all-round development in Nanjing in the production, circulation, distribution, and consumption of commodities and in science and technology; and expediting economic reform and development throughout Jiangsu.

The comprehensive economic reform in Nanjing will be carried out under the leadership of the Jiangsu Provincial CPC Committee and the provincial government.

FOREIGN TRADE SPOKESWOMAN ON ECONOMIC RELATIONS

Views Imports, Exports

OW231156 Beijing XINHUA in English 0941 GMT 23 Jul 84

[Text] Beijing, July 23 (XINHUA) -- China's imports and exports in the first half of the year reached 19,870 million U.S. dollars, a 13 percent increase over the same period of last year, announced Ma Meili, spokeswoman for the Ministry of Foreign Economic Relations and Trade at a news briefing here this afternoon.

Exports were 11,410 million U.S. dollars, 14 percent over the same 1983 period, or 11.4 percent allowing for price fluctuations. Imports were 8,460 million U.S. dollars, up 11.7 percent, or 10.6 percent allowing for price fluctuations.

China's trade with the Soviet Union, Japan, the United States and Hong Kong region in the first five months this year grew fairly fast. Trade with the Soviet Union in this period topped 340 million U.S. dollars, increased almost 300 percent; trade with Japan was more than 4,360 million U.S. dollars, up 40.2 percent; trade with the United States came to more than 2,020 million U.S. dollars, up 28.8 percent; and trade with Hong Kong region, 2,720 million U.S. dollars, up 23 percent. China is still Hong Kong's largest source of imports.

The export growth rate in the first half of the year is the highest in corresponding periods since 1981. Fastest growing exports are petroleum, textiles, cereals and oils. There were also notable changes in the variety and quantity of imports, imports of new technology, complete sets of equipment, rolled steel, timber, chemicals and pesticides increased greatly while that of cereals, cotton, edible oils and sugar dropped markedly.

Discusses Investment

OW231230 Beijing XINHUA in English 1030 GMT 23 Jul 84

[Text] Beijing, July 23 (XINHUA) -- New agreements and contracts signed by China and foreign firms from January to June this year involved foreign funds amounting to a total of 1,438 million U.S. dollars, said Ma Meili, spokeswoman for the Ministry of Foreign Economic Relations and Trade, at a news briefing here this afternoon. Of this figure, 925 million U.S. dollars were borrowed by the state and 510 million U.S. dollars were invested directly by foreign businessmen, she said.

Foreign fund agreements or contracts are now being implemented at a faster tempo than before, she said, adding that 1,223 million U.S. dollars were actually used in the first half of the year, 600 million U.S. dollars more than the same 1983 period. Of this, 584 million U.S. dollars was in the form of loans and 639 million was direct investments made by foreign businessmen -- both increases of almost 100 percent over the corresponding period of last year. A total of 172 joint ventures were newly approved by the Chinese Government as a result of more flexibility in the policy on using foreign funds. Thus, in the past five and half years 362 joint ventures have been approved altogether, including those in the four special economic zones. In this period direct foreign investment totalled 530 million U.S. dollars.

On Overseas Contracts

OW231402 Beijing XINHUA in English 1128 GMT 23 Jul 84

[Text] Beijing, July 23 (XINHUA) -- Contracts signed by China for undertaking projects and providing labor service abroad in the first half of the year had a total value of 570 million U.S. dollars -- up 24 percent over the same 1983 period. The January-June business volume came to 269 million U.S. dollars, a 48.9 percent increase over the same 1983 period. This was revealed by Ma Meili, spokeswoman for the Ministry of Foreign Economic Relations and Trade, at a news briefing here this afternoon.

To meet the need of the overseas contracts, China approved the establishment of another six corporations for international economic and technical cooperation in the first half of the year, making a total of 48 corporations of this kind, she said. These six new corporations involve the building materials industry, textile industry, seamen's service and material supply for contracted projects.

ULANHU WRITES INSCRIPTION FOR BOOK OF MARTYRS

SK140406 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 13 Jul 84

[Text] The text of the "Brilliant Records of the Revolutionary Martyrs of Nei Monggol Autonomous Region" which was compiled by the regional Civil Administrative Department, has been finalized and will be published soon. This book records the lives of the more than 11,000 native Nei Monggol martyrs from the 1911 revolution to now. The civil administrative department plans to continue to collect materials and compile a sequel at a proper future time. Ulanhu, member of the Political Bureau of the CPC Central Committee and vice president of the state, examined the first draft of the book despite his tight schedule. On 3 July he wrote the inscription "The Brilliant Lives of Martyrs Are Recorded in History" for the book.

HUANG HUANG ADDRESSES ANHUI NEWS REPORTING FORUM

OW240843 Hefei Anhui Provincial Service in Mandarin 1100 GMT 22 Jul 84

[Excerpts] According to ANHUI RIBAO, a forum on the work of news reporting, sponsored by provincial departments concerned, was held on the afternoon of 19 July. Secretary Huang Huang of the provincial CPC Committee attended the forum. Together with responsible comrades of the General Office and Propaganda Department of the provincial CPC Committee, ANHUI RIBAO and the provincial Radio and Television Department, he analyzed the province's situation in the work of news reporting, thus acquiring more knowledge of this work.

Those attending the forum unanimously held: The branches of central journalistic units in the province and our provincial units have done a lot of work in publicizing the party's line, principles and policies as well as economic work and reform. Many news reports have produced very good effects, which are conducive to carrying out various tasks in Anhui. Our achievements are the main aspect of this work. From now on, we should continue to make new achievements, overcome our shortcomings and pay more attention to the scientific character, solemnity and accuracy of news reporting. At the same time, it is necessary to strengthen effectively leadership over journalistic work so that it will better serve the party's general objectives and tasks.

Before the conclusion of the forum, Comrade Huang Huang made a speech. He said: Particular emphasis should be laid on reporting the reform of economic work. News reports on the reform of party and government organizations should be written with great care, and propaganda in this regard should be done in accordance with the relevant guidelines of the CPC Central Committee and the views of the Standing Committee of the provincial CPC Committee. On news reports on the reform of party and government organizations, the following several points should be reiterated:

1. Wage rates must not be changed without authorization before the central authorities make unified arrangements for the reform of the labor and wage system.
2. It is necessary to resolutely implement the principle of separating the government from enterprises, commerce and industry. The incumbent responsible cadres of party and government organizations should not concurrently serve as managers or board chairmen of industrial and commercial enterprises, and those who now hold such concurrent posts should be readjusted step by step.
3. It is necessary to report relatively successful experiences.

Comrade Huang Huang stressed: Great care must be exercised in reporting provincial-level responsible comrades' activities and speeches. Generally, no special reports should be published on their activities and speeches. When it is necessary to report their activities and speeches, such reports must be submitted to myself or their designated comrades for examination and approval before they are published.

BAI DONGCAI ADDRESSES JIANGXI PEOPLE'S CONGRESS

OW242108 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Jul 84

[Excerpts] According to a report by the Secretariat of the Standing Committee of the provincial People's Congress, a forum of responsible persons from the standing committees of people's congresses of various cities, counties, and districts in the province was held 17-21 July in Nanchang under the sponsorship of the provincial People's Congress Standing Committee.

The forum was presided over by Ma Jikong, chairman of the Standing Committee of the provincial People's Congress. Attending the forum were 240 people, including Vice Chairmen of the Standing Committee of the provincial People's Congress Wang Zemin, Zhang Yuqing, Xie Xianghuang, Zhang Guozhen, and Huang Xiandu; vice chairmen of all special committees of the provincial People's Congress; responsible persons from the General Office of the Standing Committee of the provincial People's Congress and its liaison offices in various localities; and responsible persons of the standing committees of various city, county, and district people's congresses and their general offices.

Participants in the forum studied, in particular, some documents of the central authorities and the important speeches delivered by Comrade Peng Zhen on numerous occasions, summed up and reviewed the work done over the past few years, and exchanged their experience in developing the work of the standing committees of the people's congresses in various localities. They carried out animated and in-depth discussions on the question of how to bring the role of the People's Congress Standing Committee into full play and raise the work of the People's Congress to a new high level, which was the central item on the forum's agenda.

Bai Dongcai, first secretary of the provincial CPC Committee, spoke at the forum. After fully affirming the achievements made over the past years by the standing committees of people's congresses in various localities and expounding on the nature, position, and role of these organizations, he emphatically dwelt on the question of strengthening party leadership over them. He said: The work with regard to the people's congresses is part of the important work of the party. Party committees at all levels should deem it an important item on their work agenda to strengthen the leadership over the work of the respective People's Congress standing committees. They should grasp this as a major task.

At the conclusion of the forum, Chairman Ma Jikong made a summing-up speech. Based on the questions raised during the discussions, he offered several suggestions for further improving the work of the People's Congress standing committees. He stressed: To improve the work of the standing committees of people's congresses at all levels and in all localities, it is imperative to promote study. That is, efforts should be made to study the fundamental theories of Marxism-Leninism-Mao Zedong Thought; the party's line, principles, and policies; the knowledge of modern science and culture; and the Constitution and various laws. More propaganda work should be done on the legal system so that people will enhance their concept of the rule of law; will know, understand, and abide by the law; and will act in accordance with the law.

It is imperative to properly solve the question of what units should be set up under the People's Congress standing committees and the personnel arrangements for these units. In addition, work should be done to bring the role of people's deputies at all levels into full play, and continued efforts should be made to strengthen the ties between the Standing Committee of the provincial People's Congress and the standing committees of various city, county, and district people's congresses.

SHANGHAI LEADER COMMENDS 'GOOD 8TH COMPANY'

OW250407 Shanghai City Service in Mandarin 2300 GMT 22 Jul 84

[Excerpts] According to JIEFANG RIBAO, after eliminating the leftist influence, the Good 8th Company on Nanjing Road is now marching forward without any mental burdens. Using this company as a mirror, the CPC Committee of the Shanghai Garrison District has profoundly realized that it is necessary to resolutely do away with leftist practices in grasping typical examples.

The Good 8th Company of Nanjing Road was a model for army men and people throughout the country to learn from. However, during the Cultural Revolution, this company, seriously influenced by leftist ideas, went too far in the course of inheriting and carrying forward the Army tradition. Cadres and fighters of the company were still bound hand and foot by leftist ideas for a long time following the downfall of the gang of four.

In February of this year, Yang Shangkun, vice chairman of the Central Military Commission, inspected the company and earnestly called for it to effectively eliminate the leftist influence and not to be a crooked-mouthed Buddhist monk [wan zui he shang; presumably one who feigns truthfulness while lying]. As a result, cadres and fighters of the company have achieved an ideological leap and brought about many changes. The company has rescinded its inappropriate rules and regulations. The most notable change harmonizes the tradition of hard work and plain living with improving the material and cultural life of cadres and fighters.

While guiding the company in eliminating the leftist influence, the party committee and leading body of the Shanghai Garrison District realized that they also had followed some leftist practices in grasping typical examples. The main leftist practices were: The guidelines for grasping typical examples deviated from the ideological line of seeking truth from facts, and some fine traditions of the Good 8th Company on Nanjing Road were mixed up with leftist ideas and were interpreted in terms of absolutes. For example, efforts were made not to blaze new trails but to maintain things as they were. As a result, the typical example was content with things as they were, and was no longer eager to make new progress. The result was that the reputation of the typical example fell increasingly short of its reality.

The Shanghai Garrison District CPC Committee holds: Party committees and leading bodies are charged with the important task of guiding basic units in strengthening themselves and helping them do so. In so doing, they must conscientiously eliminate leftist influence, implement the ideological line of seeking truth from facts and not be a crooked-mouthed monk.

ZHEJIANG RIBAO VIEWS CULTURAL REVOLUTION

OW241257 Hangzhou ZHEJIANG RIBAO in Chinese 11 Jul 84 p 1

[Commentator's article: "'Cultural Revolution' Must Be Thoroughly Discredited"]

[Text] Ever since party rectification entered the stage of comparison and examination, many provincial organs have acted in accordance with the instructions of the Central Committee and the provincial CPC Committee, and considered important the task to discredit thoroughly the "Cultural Revolution" and eradicate the influence of "leftist" ideas. They have done a good and commendable job in this regard. As far as discrediting the "Cultural Revolution" is concerned, it is hoped that party organizations at all levels will do their job "thoroughly," and not stop after initial success has been achieved.

In order to be "thorough," it is necessary to help all party organizations and party members understand that the CPC Central Committee's call to discredit thoroughly the "Cultural Revolution" is one of universal significance, and not applicable only to some units. That is why all units and comrades must have a better understanding of this issue. Certain comrades think that the influence of the "Cultural Revolution" was not significant to them or in their units, and that the problem had already been resolved after Lin Biao and the "gang of four" had been exposed and denounced. Such a concept does not really tally with facts. The harm created during that chaotic decade has been enormous.

Each unit or comrade who went through the decade could not have been immune from its influence, and its effects on various units, especially leading provincial organs, should never be underestimated. Although many major issues have been settled following the exposure, denunciation and investigation of the followers of Lin Biao and the "gang of four," and particularly after the 3d Plenary Session of the 11th CPC Central Committee, which has restored order in various fields, thanks to its lines, principles and policies, the pernicious influence of the "Cultural Revolution" has not been thoroughly eradicated, and the residual "leftist" and factionalist ideas in the minds of some comrades still resurface from time to time. Certain units have still not yet thoroughly resolved their problems left over from the "Cultural Revolution," and they have still not yet fully carried out the policies which ought to have been carried out. Among the party members of some units, there are still the "three types of people," who should have been sorted out and expelled. All this indicates that thoroughly discrediting the "Cultural Revolution" is a realistic, urgent issue, and not a rehash of "old scores." Such being the case, each party organization must pay great attention to this issue, and not take it lightly, lest there be "untouched spots" in our job of eradicating the influence of the "Cultural Revolution."

In order to be "thorough," we must realize the mistakes of the "Cultural Revolution" from an ideological and theoretical point of view, and shake off any sentimental ties with factionalism. We must not quibble over specific issues, because what actually happened in various units during the "Cultural Revolution" was quite complex; and if the right or wrong of every situation has to be debated, not only will we fail to discredit thoroughly the "Cultural Revolution," but we will also compel some comrades to fight to justify their stand, without heeding the principles. The right way of handling the issue is to resort to heightening everybody's party spirit to help them understand, from a theoretical and practical point of view, that the "Cultural Revolution" produced internal an internal chaos which caused untold sufferings to the party, the state and the people; it was by no means a revolution or social progress in any sense; all factions came to the fore in those days under the guidance of the fallacious theory of "continuing the revolution under the dictatorship of the proletariat;" and all factions operated in accordance with the fallacious ideology of "one class overthrowing another." Such being the case, all factions should understand that they were wrong, and have nothing correct to justify, they should learn a lesson from their experiences, and whoever still tries to justify his faction is, in fact, showing his lack of courage or willingness to discredit thoroughly the "Cultural Revolution."

To be "thorough," we must, on the basis of facts, settle the unresolved issues left over by the "Cultural Revolution." Each unit must earnestly check to see whether it has redressed all the frame-ups, fake or erroneous cases; implemented all the policies that ought to have been implemented; properly disposed of all the relevant personal records in accordance with the CPC Central Committee's instructions; sorted out and expelled the "three types of people," properly educated erring comrades; and eliminated factionalism and misunderstanding among comrades. Even the smallest problems, as long as they are left over from the "Cultural Revolution," must not be overlooked. They must be handled seriously until they are thoroughly settled.

In the final analysis, to be "thorough" depends on the leading comrades' awareness and determination. As long as the leading cadres of party organizations at all levels understand the issue correctly, and are determined to set an example to others by taking the lead in examining themselves, and in handling various policies and practical problems, by doing penetrating and meticulous ideological and political work, it would not be too difficult for them to thoroughly discredit the "Cultural Revolution."

OPEN-DOOR POLICY VITALIZES GUANGDONG ECONOMY

OW240831 Beijing XINHUA Domestic Service in Chinese 0755 GMT 20 Jul 84

[By reporter Weng Zuoxiang]

[Excerpts] Guangzhou, 20 Jul (XINHUA) -- Since the implementation of China's open-door policy, the various rural areas in Guangdong Province have made full use of the favorable condition of bordering on Hong Kong and Macao, and have actively done business in processing and assembling products with materials, specifications and semi-finished products from abroad and in carrying out compensation trade. They have also run joint ventures with overseas and Hong Kong businessmen to operate enterprises in various villages and townships in a cooperative manner. This has not only vitalized the original enterprises in various villages and townships, but also prompted the rapid development of new enterprises in these localities.

For more than 4 years the various enterprises in villages and townships throughout Guangdong Province have concluded over 10,000 deals by operating joint ventures and carrying out co-production in processing and assembling products with materials, specifications and semi-finished products from abroad and in compensation trade, attracted foreign investments totaling U.S., \$123.4 million and earned more than U.S. \$300 million for the state by processing products. By expanding the business of processing products for foreign businessmen, Guangdong has promoted the development of enterprises in various villages and townships throughout the province. During 1983, there were 8,800 village and township enterprises in the province. The number of peasants involved in industry and commerce reached 2.15 million with a total income of 7.276 billion yuan, marking an increase of 1.38 times that of 1978.

As a result of expanding business in the processing and assembling of materials, specifications and semi-finished products from abroad and carrying out compensation trade, the rural economy in relatively developed areas has become even more vitalized.

In recent years, the enterprises in various villages and townships throughout Guangdong have manufactured more than 1,000 categories of export goods for the state. The total value of export merchandise manufactured by village and township enterprises in the province reached U.S. \$463 million accounting for 12 percent of the total value of export goods produced in the province.

EXTERNAL COOPERATION BOOSTS HAIKOU INDUSTRY

HK241339 Guangzhou NANFANG RIBAO in Chinese 18 Jul 84 p 1

[Report by Wang Hongru: "Cooperation With Other Areas at Home and With Foreign Businessmen Fills Haikou City's Industry With Vitality"]

[Text] Haikou City's industrial sector has fully utilized its favorable conditions in opening up to the external world, vigorously developed economic and technological cooperation with other areas at home and abroad and thus continued to enliven its activities of attracting investments and introducing technology from abroad and cooperating with other areas at home. According to our statistics, since the beginning of last year, the city has signed agreements with foreign businessmen on joint ventures and cooperation in 24 projects and on 30 projects of "processing of foreign goods and compensation trade." It has also signed contracts on 25 projects of economic and technological cooperation with other provinces and cities at home.

For a long time Haikou City failed to develop its industrial production quickly or to achieve great economic results. In order to change this situation, last year the city CPC Committee and government fully utilized Hainan's favorable conditions in opening up to the external world and vigorously developed the activities of attracting investments and introducing technology from abroad and cooperating with other areas at home. In just over a year, the city has already signed various kinds of agreements and contracts in joint ventures and cooperation with foreign businessmen and plans to draw in \$34.4 million of funds. Moreover, it has signed agreements and contracts to process foreign goods and has carried out compensation trade, which has earned 1.16 million Hong Kong dollars.

At the same time Haikou City has conscientiously developed cooperation with other areas both inside and outside the province. People from counties and cities all over the country including those in Heilongjiang, Jilin, Liaoning, Sichuan, Jiangsu, and Shanghai and those in the nearby four central-southern provinces and in Guangdong Province all have come to develop economic and technological cooperation with the city. For example, through consultations, Shanghai Municipality has planned to develop more than 20 projects of economic and technological cooperation with Haikou. The responsible comrade of Benxi City, Liaoning Province, has led two groups of professionals to Haikou to look into the possibility of carrying out economic and technological cooperation between Benxi and Haikou cities. He planned to emphasize Benxi's strong points by having a developed industry to support and coordinate with Haikou City's development and construction. Now the two cities have already signed an agreement on forming a "sister city" relationship and on developing economic and technological cooperation. Three of the first batch of cooperation projects have already been started. Among these projects are the establishment of the Haikou beer brewery and Haikou tailoring and knitting factory and a commercial center in each other's city.

So far, the city has begun to achieve results in its cooperation with areas at home and with foreign businessmen. According to the statistics of the relevant departments, through developing the activities of economic and technological cooperation to attract investments and introduce technology from abroad and through developing combinations with other areas at home, the city scored unprecedentedly good results in increasing its industrial output value last year, and during the first 4 months this year the city's gross industrial output value rose by 15 percent over the same period last year.

WUZHOU SET UP AS PILOT CITY FOR EXTERNAL TRADE

HK241012 Nanning Guangxi Regional Service in Mandarin 1130 GMT 22 Jul 84

[Text] The Guangxi Regional CPC Committee and regional government have recently decided to make Wuzhou City a comprehensive pilot project in the region's reform of economic ties and trade with foreign countries, so that the city can advance before others with respect to developing external economic ties and trade, utilizing foreign capital, and importing advanced technology.

Wuzhou City is an inland port city in our region. It is situated in a place where the Gui Jiang and the Xun Jiang meet. It is near Hong Kong and Macao, and enjoys good facilities for land and water transport. Backed by a vast stretch of rich land with abundant resources, it has historically been an important port in our region, catering to sales and marketing and the export trade of the produce and special products of our region and Yunnan and Guizhou in the southwestern region of our country.

Through decades of construction since the founding of the country, the facilities for external trade in Wuzhou have been comparatively satisfactory, with a fleet of ships for export having a total capacity of more than 20,000 tons. The port of Wuzhou has established trade ties with over 90 countries and regions. Wuzhou City is also a hub of communications for land and water transport when compatriots from Hong Kong and Macao tour Guilin and other places in our region.

In order to bring the strong points of Wuzhou Port into full play, the regional CPC Committee and regional government have recently decided to make Wuzhou a comprehensive pilot project in the region's reform of economic ties and trade with foreign countries and expand the decisionmaking power of Wuzhou City in the following eight aspects.

1. With regard to those items in the category of expanded construction, for which it is not necessary for the state to carry out synthesis and balance in terms of conditions of production, their products do not need the help of the state for sales, the export of their products does not involve quota arrangements, and all the foreign exchange involved can be balanced and reimbursed by the units concerned, on the condition that the cost of each project stays within a \$3 million limit and can be examined and approved by the Wuzhou City People's Government, which will report to the region for the record.
2. With regard to those items in the category of transforming or expanding old enterprises with the utilization of foreign capital to import advanced technology on the condition that they do not affect the key projects of the state and do not use the raw materials allotted to Wuzhou City by the region in accordance with the annual plan, they can be separately listed in detail outside the control schedule for newly increased fixed assets and are permitted to follow their own schedule regardless of the unified plan for the technological transformation of enterprises.
3. The existing foreign trade corporation in Wuzhou will be changed into the Wuzhou City Foreign Economic and Trade Corporation, which will be responsible for its own profits and losses, and its personnel, finance, and materials are to be managed by Wuzhou City authorities. Its policies and operations are to be guided and supervised by the regional Foreign Trade Department. The scope of operations for this corporation consists of: In regard to export, in addition to the continuation of the export of river sand, the corporation should proceed to do business in items not marketed by the foreign economic and trade departments. Consideration will be given to its expansion following this development. With respect to import, in accordance with the relevant regulations of the state, it can import commodities needed by Wuzhou City with foreign exchange owned by the corporation. It can also act as an agent for other units in the city to do import or export business. It can also develop the business relating to the utilization of foreign capital to import advanced technology. With its scope of operation, the corporation is allowed to enjoy the control of operations regarding its import and export.
4. With regard to the foreign exchange gained by Wuzhou City, the portion originally stipulated for use by the regional authorities can all be used by Wuzhou City within a 5-year period, and the remaining portion will be handled in accordance with the relevant regulations set by the state foreign exchange administration.
5. With regard to gifts received from foreign businessmen in the course of economic and trade communications, with the exception of those commodities where import is controlled by the state, which should be handled by the regional People's Government, they are to be examined and approved by the Wuzhou City People's Government.

6. With regard to those personnel who are selected to go abroad to execute terms of contracts or for the purpose of conducting requisite economic inspections, including personnel going to Hong Kong and Macao to carry out business negotiations, if they belong to the leadership level of Wuzhou City, they must report to the regional authorities for examination and approval, and if they belong to categories other than the above level, they must be examined and approved by the Wuzhou City People's Government.

7. With regard to those items that utilize foreign capital to import technology and have good results regarding economic results and social effects but lack the capability of creating foreign exchange without evident returns and have difficulty in reimbursing foreign funds, on the condition that the task for exports set by the state is fulfilled and quota arrangements are not involved, in accordance with the relevant regulations of the Ministry of Foreign Economic Relations and Trade regarding the classified management of export commodities, it is permitted to carry out indirect compensation in association with other export commodities of Wuzhou City, and it is also permitted to reimburse the funds due by utilizing the foreign exchange owned by Wuzhou City itself. It is also permitted to organize tours for relatives of people residing overseas and to visit relatives in Hong Kong and Macao, and this will be implemented after approval is granted by the regional People's Government on plans made by the regional Tourist Bureau in conjunction with the regional Overseas Chinese Affairs Office.

8. Measures will be adopted to recruit and invite talented people from abroad and from outside the region. At the same time, in accordance with the needs for the development of Wuzhou City, institutions of higher education and technical schools may be established with the city's own initiative and efforts to train able persons.

HENAN TAKES MEASURES TO SELL, STORE FOOD GRAIN

OW241836 Beijing XINHUA Domestic Service in Chinese 0744 GMT 20 Jul 84

[By reporter Ji Shifa]

[Excerpts] Zhengzhou, 20 Jul (XINHUA) -- Henan Province has opened up the summer grain market to encourage multichannel trading of grain by collectives and individuals along with the state in an effort to solve the peasants' problems in selling their food grain and to alleviate the shortage of state-operated granaries.

This year Henan has reaped a bumper harvest of summer grain, and the total output has already reached a record 32.2 billion jin. Because of several successive years of bumper crops, the amount of food grain owned by the state and the peasants is increasing, thus causing a shortage of warehouses and a sharp drop in food grain prices. According to a survey conducted by departments concerned on the prices of seven kinds of food grain sold in 28 major markets across the province in mid-June, each jin of grain could fetch a mere 1.96 jiao, or 22.83 percent less than in the same period last year when the average price of food grain was 2.54 jiao per jin. To protect the peasants' production enthusiasm and solve their problems in selling their food grain, the Henan Provincial People's Government and the provincial food departments have taken powerful measures, such as opening up the summer grain market to expand procurement and marketing of summer grain. The measures mainly include:

-- Encouraging the commercial departments in the rural areas and individual peasants to sell their grain through various channels. According to incomplete statistics compiled by the departments concerned, supply and marketing cooperatives and agricultural and sideline products trade centers in the province have so far signed contracts with other provinces and regions to sell nearly 1 billion jin of grain to them.

-- Instructing the state-operated food departments to expand the marketing of grain at negotiated prices. By the end of June, the province had sold over 1.7 billion jin of grain at negotiated prices, or nearly double the amount sold during the same period last year; and made a profit of more than 40 million yuan, or 3.8 million yuan more than last year.

-- Welcoming other provinces to purchase grain in Henan. Governor He Zhukang has informed other provinces that they may entrust departments concerned or send their purchasing agents to Henan to buy grain; no matter which they choose, Henan will provide them with all the needed services and will remove the minimum base price previously set for food grain sold to other provinces.

-- Organizing the local people to store food grain for the state to solve the shortage of warehouses. The province now has an inventory of some 10 billion jin of grain, and the inventory is expected to exceed 16 billion jin when this year's procurement of summer grain is completed. To alleviate the shortage of warehouses, the province's food departments, in addition to vacating other warehouses and building new ones, have been organizing the local people to store grain for the state. The province has so far procured over 3 billion jin of summer grain, of which some 300 million jin are being kept by local peasants.

WUHAN UNIVERSITY CHARGES FOR SUPPLY OF GRADUATES

HK241541 Wuhan HUBEI RIBAO in Chinese 10 Jul 84 p 1

[Report by correspondents Ding Bingchang and Cui Wei: "Jiangnan University, in Which Students Pay Tuition Fees and Are Not Provided With Accommodation, Supplies Graduates to Enterprises With Compensation Charge"]

[Text] Not long ago Jiangnan University, a university where the students pay tuition and are not assigned jobs by the state, has recently signed an agreement with the Wuhan City Agricultural Bank whereby the university will recommend 12 graduates to the bank and the bank will pay the university 60,000 yuan to help the university improve teaching conditions.

According to Zhou Qingbi, vice president of the university, although the students will not graduate until next September, in the past few days the discussion on "supplying graduates for a compensation charge" has been very brisk. Until now, more than 30 departments and units inside and outside the province have contacted the university for supplying graduates.

Zhou Qingbi is of the opinion that for a vocational university that does not guarantee the provision of jobs for its graduates, the adoption of this method facilitates its graduates to take the jobs related to their studies, running universities by the community, and the development of universities. He said: For those units that attach importance to intellectual investment and to people of talents, "we will actively provide our fine graduates a choice of jobs in their fields of study and thus by our actions coordinate with and support their work."

Zhou also told this reporter that if a school only has the right to recommend its graduates, there is no sufficient guarantee for the practice of supplying graduates for a compensation charge. He had hoped that more decisionmaking powers would be given to the university so that it could make decisions independently after it had reached agreement in its talks with the enterprises.

HUNAN MEETING ON REFORMING LEADERSHIP SYSTEM

HK241533 Changsha Hunan Provincial Service in Mandarin 1100 GMT 22 Jul 84

[Excerpts] To find a new way to reform the leadership system in state-run industrial enterprises, from 13 to 18 July the Industry, Communications, Finance, and Trade Political Work Department of the provincial CPC Committee held a meeting to experiment with the reform of the enterprise leadership system, and made specific arrangements to experiment with implementing the system of factory directors assuming full responsibility.

Xiong Qingquan, secretary of the provincial CPC Committee, and Governor Liu Zheng attended the meeting and spoke. (Wang Xianfu), director of the Industry, Communications, Finance, and Trade Political Work Department of the provincial CPC Committee, summed up the results of the meeting.

The meeting held: The implementation of the system of factory directors assuming full responsibility in the state-run industrial enterprises is an important component of the city's economic structural reform and is currently a main point in enlivening enterprises.

The meeting emphasized: To do a good job in experimenting with implementing the system of factory directors assuming full responsibility, we must study documents well, heighten our understanding, and unify our thinking. The leaders of all enterprises must take a clearcut stand, stand in the forefront of reform, do well in directing this reform, and hand the draft law of industrial enterprises over to the workers. All departments of the enterprises must organize publicity and study and mobilize the workers to act as promoters and the main force of reform. In light of ideological problems arising at every stage of the pilot project, party organizations of the enterprises must promptly do ideological work well to ensure the smooth progress of the pilot project of reform.

To strengthen leadership over the pilot project, the provincial CPC Committee and the provincial government have decided to set up an office under the provincial enterprise consolidation leadership group to be responsible for handling the specific problems arising in the course of reforming the leadership system.

FURTHER ON XIZANG PEOPLE'S CONGRESS MEETING

Duojiecaidan Views Trade

HK250149 Lhasa Xizang Regional Service in Mandarin 1130 GMT 24 Jul 84

[Text] Comrade Duojiecaidan said in his government work report at the regional People's Congress session: We must continue to carry out reform of the foreign trade system, open up to the world, and strengthen exchanges with the interior. In light of the actual conditions in Xizang, the power of trade management with neighboring countries is to be delegated to the prefectures and cities, which should themselves arrange the export of local products to neighboring countries and organize the import of commodities. Border counties where the conditions are right can also manage their import and export trade with neighboring countries. Ali Prefecture is allowed to make its own arrangements for import and export plans and issue import and export licenses.

The regional agricultural reclamation and industrial systems can also promote foreign trade and manage the export of the products of their systems themselves. The utilization of all foreign exchange derived from foreign trade can be arranged by these systems themselves.

Chairman Duojiecaidan said: We should strengthen economic, commercial, and technical exchanges with the interior, and actively promote economic cooperation. We welcome individual laborers and collective and state-owned enterprises in fraternal provinces, autonomous regions, and municipalities to come to Xizang to set up shops or factories, take part in trade fairs, organize exhibitions, and engage in processing, transport, construction, commercial, and other service activities. We will guarantee their legitimate interests. We welcome Tibetan compatriots living abroad and Overseas Chinese, Hong Kong and Macao compatriots, Taiwan compatriots, and foreign businessmen to invest in the region, or to organize joint ventures in the form of factories, farms, repair centers, and other service trades. They will be given special treatment regarding taxes and so on. Tibetan compatriots living abroad who return to the region to run commerce will be treated as equals with the people living here in the tax aspect.

Transport, Energy Discussed

HK250147 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Jul 84

[Excerpts] In his government work report to the second session of the fourth Xizang regional People's Congress, Chairman Duojiecaidan proposed: We should spend 15 years in gradually accomplishing the electrification of Xizang. He said: We must get a good grasp of energy construction, focusing on hydroelectricity, and promote hydroelectric, geothermal, solar, and wind power generation. We must develop a variety of energy sources in light of local conditions, and solve in groups and stages the masses' problems of electric power for lighting, cooking, heating, irrigation, processing of animal and agricultural products, and for other items in daily life and production. The pastoral areas should actively promote the use of wind power to generate electricity. The region's total installed power generating capacity should reach 500,000 kilowatts in 15 years' time, during which we should gradually accomplish the electrification of Xizang.

Duojiecaidan proposed in his report: We must give free rein to the masses to run transport and gradually form a transport system operated by the people that is suited to the region's characteristics. He said: Road transport should be focused on developing transport specialized households and collective transport undertakings.

The existing transport enterprises in the region must be further readjusted and reformed. We should increase the number of fast heavy trucks and also buses suited to high-altitude operations, which should undertake the basic tasks in freight and passenger transport on main roads. Other passenger and freight transport should be undertaken by individual and collective undertakings in the urban and rural areas and by [word indistinct] undertakings.

LARGE-SCALE CONSTRUCTION BEGINS IN XIZANG

OW250734 Beijing XINHUA in English 0658 GMT 25 Jul 84

[Text] Lhasa, July 25 (XINHUA) -- Tibet has put 587.96 million yuan into capital construction projects this year, 3.7 times the 1983 figure, according to regional officials. The state is helping Tibet to build more power stations, cultural centers, school buildings, hospitals, hotels and restaurants and improve transport and tourist facilities.

Work has begun on 100 of the 107 planned projects in Lhasa, capital of Tibet, Zetang near Lhasa, Xigaze in the south, Qamdo in the east and Nagqu in the north. Since May this year, rolled steel, cement, timber and sand have been trucked to the construction sites, where excavators, bulldozers and concrete mixers are working round the clock. More than 6,000 workers and technicians from nine provinces and municipalities have arrived in Tibet to help with the construction of 43 key projects, most of which will be completed by August next year. A generating capacity of 21,500 kilowatts will be added, the Qinghai-Tibet highway asphalted and airport upgraded. A number of art galleries, theatres, cinemas, and teaching and hospital facilities will open to the public. The Tibet stadium and a television teaching building will be completed. The region's hotels will have 3,100 more beds.

YUNNAN CPC CADRE EDUCATION GROUP ISSUES CIRCULAR

HK201226 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 19 Jul 84

[Excerpts] The Committee on Cadre Education of the Yunnan Provincial CPC Committee recently issued a circular to all units concerned throughout the province to air the committee's opinions on formal training for cadres at their posts, thereby beginning a new plan for the training of cadres at their posts throughout the province.

The thrust of the state plan for cadre training stipulates that by 1990 members of all leading bodies at and above the county level and their reserve cadres in general must reach an education level equivalent to higher education, and one-third of those cadres under 50 and who had received senior secondary education or technical secondary education are required to complete a program higher education by various means. The stipulations on regular Marxist-Leninist theoretical education for cadres promulgated by the Propaganda Department of the CPC Central Committee puts forth that by 1990, those male cadres who are now under 55 and those female cadres who are now under 50, both having attained a senior or junior secondary education level, must completed the basic courses on Marxist-Leninist theory. In our province there are 390,000 cadres who have received senior or junior secondary education and require further formal education. It is quite clear that by no means will they be able to fulfill the above requirements if they only receive training while on leave. In order to fulfill the above tremendous task of cadre training, we must mainly rely on training cadres at their posts.

According to past experience, one of the effective methods for training cadres at their posts aimed at regularization is to combine an organized and systematic study of Marxist-Leninist theory with the participation by party and government cadres and other cadres in the higher education self-study examination program.

The circular points out: The higher education self-study examination program covering basic subjects requisite to party and government cadres will be enforced in the province from this September.

The circular points out: The formal Marxist-Leninist theoretical education program for various types of cadres should also be introduced step by step before this September. The following specific measures must be adopted and conscientiously implemented: 1) organize small training classes and train cadres group by group; 2) recruit lecturers to give lectures to classes on Marxist-Leninist theoretical study and to instruct trainees; 3) organize various courses in a unified and planned way.

Finally, the circular points out that party committees at all levels must take real action to strengthen leadership over the formal education of cadres, pay constant attention to existing problems, and solve them in a timely manner.

KUNMING PLA COMFORT GROUP VISITS FRONTIER GUARDS

HK240723 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 23 Jul 84

[Text] A comfort group of the Kunming PLA units, headed by Deputy Political Commissar Liu Yantian, recently went to Wenshan Prefecture to extend regards to the frontier guards, supporting militia units and other personnel who participated in the fighting to recover Lao Shan and Zheyin Shan. Since mid-July, the comfort group has visited frontier guards and local supporting units in the border defense areas in Malipo and Xichou to convey greetings from the provincial CPC Committee and leaders of the Kunming PLA units and to salute them for the enormous victory won in the fighting to recapture Lao Shan and Zheyin Shan.

XINHUA REPORTS DROP IN BEIJING CRIME RATE

OW250543 Beijing XINHUA in English 0819 GMT 24 Jul 84

[Text] Beijing, July 24 (XINHUA) -- The number of criminal cases in the Chinese capital decreased by 51 percent in the first half of this year, compared with the same period last year.

A spokesman for the Beijing Public Security Bureau today said that public order has improved remarkably in shopping centers, peasants' markets, parks, restaurants and theaters, and on buses.

Of the criminal cases occurred between January and June, murder and robbery dropped 70 and 60 percent respectively, but theft and rape still remained high.

He attributed the drastic drop in crime and the trend toward better social order largely to the government's efforts to crack down on serious criminal offences since last August. A number of serious offenders were punished in accordance with a decision by the Standing Committee of the National People's Congress last September, he added. Meanwhile, he said, groups have been formed by local police, neighborhood committees and relatives to educate minor offenders. Some criminals have given themselves up.

HEBEI RIBAO ON HEBEI 1984 ECONOMIC, SOCIAL PLAN

HK240401 Shijiazhuang HEBEI RIBAO in Chinese 7 Jul 84 p 2

["Report (Excerpted Version) on the 1984 Draft Plan for the National Economic and Social Development of Hebei Province Given by Zhang Zhenhuan, Chairman of the Hebei Provincial Planning Committee, at the Second Session of the Sixth Hebei Provincial People's Congress"]

[Text] The 1984 draft plan for Hebei Province's national economic and social development was formulated in line with the spirit of the demands of our province's Sixth 5-Year Plan approved at the first session of the sixth provincial People's Congress and in line with the spirit of the national planning conference convened in November.

I. Results in Executing the 1984 Plan

In 1983, under the leadership of the provincial CPC Committee and the provincial government, the people of the whole province achieved a 10.9 percent increase over the preceding year in total provincial social output value. Total industrial and agricultural output value increased 12.6 percent. The province's pace of income growth rose from 17th position in 1982 to 5th place and increased 11.3 percent over the preceding year.

1. Grain, cotton and other main agricultural products were among those having big bumper harvests. Total provincial agricultural output value reached 16.501 billion yuan, an increase of 17.2 percent over the preceding year. Total provincial grain output stood at 37.997 billion jin, an increase of 8.4 percent and the highest amount in history. Total cotton output was 1.5 billion jin, ranking second on a national basis and nearly double the 1982 level, which was also the highest amount in history. Specialized households number 1.7 million, accounting for 16 percent of the total number of peasant households. Rural commodity production had begun developing in the direction of comprehensive utilization, increased value obtained through processing, and specialized production. Each person of the province's agricultural population averaged a commodity grain contribution of 206 jin and an income of 183.87 yuan from the sales of agricultural and sideline products, an increase of 24.6 percent over the preceding year.

2. Industrial production showed a relatively great increase, and industrial plans for energy and raw and other materials were fulfilled in a relatively satisfactory manner. Total provincial industrial output value reached 25.089 billion yuan, an increase of 9.9 percent over the preceding year. It was a year with the fastest growth since the readjustment.
3. Outstanding achievements marked the building of priority state projects. The year 1983 saw the completion of provincial investment in social fixed assets to the value of 6.34 billion yuan. In handling investment funds, the direction was readjusted in a planned manner. The development of agriculture, energy, communications and transportation, science, education, and other strategic priorities was accelerated. Technical transformation was strengthened, insuring the building of priority state projects. Fundamental construction work on the state's nine priority construction projects in our province (including four cutting across provincial boundaries) were all completed according to plan, or in excess of the requirements of given quotas. The 14 large and medium-sized projects required to be completed during the year, and individual projects were completed to go into production on a regular or trial basis.
4. Financial income outstripped the growth of production, and urban and rural markets thrived. Financial revenues in 1983 chalked up an increase of 14.5 percent, exceeding the growth rate of the total social output value and national income.
5. New results achieved in the scientific and technical fields stimulated economic development. Scientific research organs and teams were further strengthened and reinforced. Given the support of the State Scientific and Technological Commission, relatively great progress was made in studying the development of the Taihang Mountains. The number of exemplary scientific and technological households rose to 34,000. Sixty thousand peasant technical personnel were trained. Science and technology stimulated economic development, resulting in 50 million yuan in increased returns.
6. New developments marked the educational, cultural, and sanitation undertakings. The 1983 enrollment of institutes of higher learning and colleges rose 28.1 percent over the preceding year. The number of in-school adult students for higher education reached 32,000, an increase of 62 percent. The enrollment of agricultural middle schools and vocational middle schools more than doubled over the preceding year. Initial results were achieved in the reform of rural middle and primary school education. Our province's sportsmen boasted eight championship titles and broke four national records in national contests.
7. New achievements were scored in building spiritual civilization. In 1983, the whole province had more than 28,000 villages committed to the civilized village building movement, accounting for more than half the provincial total. Of these, 2,994 brigades (villages) were cited as civilized villages. The civilized village building movement had developed from "joint Army-civilian" efforts to such patterns as "joint worker-peasant participation," "joint cadre-masses participation," "joint police-civilian participation," "participation by hospitals and ordinary people," participation by factories and neighborhoods," and so forth. The achievements in building spiritual civilization stimulated production and economic development and helped improve social practices.
8. There was a continuous improvement in the people's lives. With the development of the national economy, the living standards of the urban and rural people have been further raised. The workers' average annual pay stood at 796 yuan, an increase of 3 percent over the preceding year. The per-capita net income for peasants was 298.1 yuan, an increase of 59.4 yuan or 24.9 percent over the preceding year. Savings by urban and rural residents reached 5.748 billion yuan, an increase of 43 percent over the preceding year.

In line with the fundamental tasks set forth in the "Sixth 5-Year Plan" and the call for "stirring up spirits and revitalizing Hebei," the 1984 plan for national economic and social development was based on such guiding ideas and main tasks as: emancipating the mind; blazing new trails in pressing forward; continuously implementing the guideline of "readjustment, restructuring, consolidation and improvement;" accelerating the reform of the economic management system; striving to sort out relations in various fields; and trying by all means to catch up with the pace of national progress on the basis of improved economic results. We must also concentrate financial and material resources in an effort to guarantee priority production and construction. We must speed up the development of agriculture, light industry, energy, raw and other materials, agriculture support industries and the development of intellectual resources. We must seek a proper balance in market supplies, enliven the urban and rural economy, and bring about the lasting and steady growth of the national economy. We must give prominent attention to the following in a planned manner:

1. We must put the improvement of economic results first.

Improving economic results is the focus of economic work and also a key to the revitalization of our province's economy. In 1984, on the basis of an overall improvement in economic results, we must continue to maintain the simultaneous growth of total social output value and national income. The projected total provincial social output value will be 54.388 billion yuan, an increase of 4.8 percent over the preceding year.

The [projected] provincial social labor productivity will be 1,173.7 man-yuan, an increase of 7.48 percent over the preceding year.

2. We must accelerate the development of agriculture, energy, science, education and other strategic priorities.

A. We must energetically try to develop rural commodity production and enliven the rural economy. While guaranteeing a steady increase in grain production, we must seek the overall development of agriculture, forestry, animal husbandry, sideline occupations and fishery and raise the commodity percentage. Given that agricultural production is relatively seriously affected by natural factors, we must leave more leeway in making plans and arrangements. The projected total grain output is 36.5 billion jin. We must strive to achieve 40 billion jin and arrange for the planned purchase of 4.6 billion jin. The projected total cotton output is 1.1 billion jin. We must strive to achieve the same level as the preceding year.

B. We must strive to increase the production of energy and raw and other materials. The projected total raw coal output is 55.05-55.1 million tons. Given serious leakage and floods affecting the Fangezhuang, Lujiatuo and other mines of Kailuan and also affecting such mines as Linxi, Zhaogezhuang, and so forth, the raw coal output plan will be readjusted.

C. We must strive to develop intellectual resources and focus on arranging the development of scientific and educational undertakings. The planned enrollment of institutes of higher learning and colleges in 1984 is 17,200 people, an increase of 11.7 percent. The planned enrollment of intermediate specialized schools is 26,400 people. To meet the needs of developing commodity production and providing culture for society in a more plentiful and rapid manner, we must have a reserve force of workers with production skills in special fields, and we must give particular attention to running schools in various forms by various means and to the development of agricultural middle schools and vocational middle schools. The planned enrollment of agricultural middle schools is 28,000 people, an increase of 60 percent over the preceding year. The planned enrollment of vocational middle schools is 20,200 people, an increase of 200 percent.

In regard to scientific and technical plans, we must uphold the guideline of further closely combining them with production and making them serve economic construction. Based on improved economic results, we must give full play to the stimulating effect of scientific and technical progress on economic development and further carry out on a solid basis the 25 tough programs set forth in the special scientific and technical plans included in the "Sixth 5-Year Plan." We must do this so that the results of scientific and technical research can be quickly converted into productivity. To bring scientific and technical work to a new level and speed up the application of microcomputer technology, we plan to turn 15 counties and cities, including Shijiazhuang, Handan, Qinhuangdao City, Shexian County, and so forth into ones devoted to scientific and technical work. Meanwhile, we will set up a center for the development of the Taihang Mountains, a center for the development of Heilonggang, with its medium- and low-yield fields, a center for the development and promotion of boiler and heat pipe technology, and so forth.

3. We must continue to control the scale of basic construction, guarantee priority construction and improve the results of investment.

The state affirms the general scale of our province's investment in fixed assets for 1984 as 3.458 billion yuan, of which 1.885 billion yuan is for projects directly provided by organs directly under the central authorities and 0.947 billion yuan is for local projects.

4. We must pay attention to arrangements for the people's livelihood.

On the basis of the development of production, there will be continuous improvement in the material and cultural life of the urban and rural people of the province in 1984.

The projected total provincial population in 1984 is 54.798 million, with a natural growth rate of 11 percent. The number of school-age children admitted to school will reach 96.9 percent. The projected number of jobs arranged for people waiting for employment will be 180,000, representing 80 percent of the total on the employment waiting list. Jobs will be arranged chiefly through launching collective and individual economic operations, recruiting contract workers and following other patterns.

The 1984 plans are generally arranged in line with the principle of being energetic and reliable and of leaving ample room for enterprises to overfulfill given targets. Judging from how plans were executed in the first 5 months of this year, things have gotten off to a better start than expected for our province's national economic development. Given the rapid development of production and a more active market, the total retail sales of social commodities from January to May showed an increase of 21 percent over the corresponding period last year, or the fastest rate of increase in the nation.

At present, the economic situation of our province is very favorable. But problems still exist. For example, the industrial products in our province are limited in variety, poor in quality and not sufficiently competitive. Raw and other materials, fuels, and energy are still in short supply. Economic relations still need to be put in proper order.

II. We Must Energetically Carry Out Reforms and Strive for the Fulfillment and Overfulfillment of the 1984 Plan

To ensure the fulfillment and overfulfillment of the 1984 plan, the most fundamental thing is to reform the economic management system, arouse positive factors in various fields and strive to develop productivity and raise economic results in an overall manner. With regard to planning and the execution of plans, we must chiefly complete successfully the following several tasks:

1. We must energetically reform the planned management system and exercise proper control and take good care of things in major matters, leaving small matters to the lower levels.

The planning system involves various sectors of the economy and the superstructure. Before the state works out general reforms, we must, in line with the spirit of exercising proper control and taking good care of things in major matters and leaving small matters to the lower levels, further readjust the scope for planned management and put the emphasis on the proper handling of such matters as the development of strategy, long-term planning, comprehensive balance and priority construction. Whether in the area of production or circulation, we must narrow the scope for mandatory planning and enlarge the role of plans as guides and of market forces as the regulating factor. We must also make plans to turn Shijiazhuang City and Xincheng, Shulu, Wuan and Baxian into experimental points in effecting an overall reform of the planning system in order to sum up and gradually popularize the experiences of these areas.

2. We must continue to take the development of rural commodity production as a priority. Planning and economic management departments must provide energetic support and guidance for the rural development of commodity production in regard to information, technology, the supply of materials, transportation, sales, storage, and so forth.

3. We must speed up the development of energy, raw and other materials, and agriculture-support industries. To guarantee the fulfillment of production and procurement assignments, we must strive to overfulfill production quotas in carrying out electric energy production and crude oil production plans.

4. We must provide proper outlets and stimulate the circulation of commodities. To solve the problem of buying and selling, we must respond to the call for energetically developing socialist commodity production and the exchange of commodities in line with the principle of taking the planned economy as the main factor and regulation by market forces as a secondary one. We must also gradually switch to an open circulation network marked by more outlets and fewer intervening links. Important means of production and consumer goods must still be supplied on the basis of state plans. Those commodities outside given plans or not included in plans can be freely traded to guarantee the smooth flow of goods and stimulate the development of commodity production.

5. We must concentrate forces to guarantee priority production and construction. The provincial government has established a priority construction leadership group to realistically strengthen leadership over such work. The state's 12 priority projects in our province for the current year and the priority projects and technology reform programs arranged by the province must be guaranteed with regard to the use of land, short-distance transportation, construction forces, rear supply, and so forth.

6. We must properly handle the readjustment and consolidation of enterprises, and we must lift money-losers out of the red and boost their profits. First, we must combine reform with the proper handling of enterprise consolidation. Second, we must direct vigorous efforts toward enterprise readjustment and technical transformation, taking good care of the development of new products. Concerning enterprises whose production exceeds social needs and whose products move slowly and pile up, we must make readjustments, depending on different circumstances. Third, we must do a good job lifting losing enterprises out of the red and boosting their profits. This year's plan for turning money-losers into money-makers and boosting their profits calls for every enterprise or unit to establish a responsibility system and to fulfill given assignments in time. Fourth, we must pay attention to operating management and economic accounting and strengthen financial income and taxation matters. We must do things within our own means and refrain from accumulating a deficit in our budget. The province will no longer undertake to make good any deficit that appears.

HEBEI PEASANTS BECOME CONSTRUCTION WORKERS

OW250201 Beijing XINHUA in English 1039 GMT 24 Jul 84

[Text] Shijiazhuang, July 24 (XINHUA) -- More than 260,000 peasants from Hebei Province are working on urban construction projects in Beijing, Tianjin and major cities in other provinces. Organizing themselves into some 3,400 teams, these peasant builders have undertaken to construct over 200 projects in the past few years, including office and apartment buildings and other public utilities. Their net income totalled 300 million yuan last year, according to provincial officials.

China encourages the influx of peasants into the building trade to accelerate the pace of rural and urban construction and to boost peasants' income by providing an outlet for the surplus labor in the countryside. According to an earlier report, about five million Chinese peasants have taken up building work.

Hebei peasant construction teams, ranging from several dozen workers to over 1,000 each, have often been commended for quick pace of construction, high quality and low cost. The secret behind their success is that whenever they have contracted a major project, they organize technical training classes to ensure that their workers' skills are good enough to meet the requirements.

The peasant builders also have the support of the Hebei Provincial Government department which simplifies travel procedures. Hebei plans to set up three offices, one each in Beijing, Tianjin and Taiyuan (capital of coal-rich Shanxi Province), to look after the numerous peasant construction teams from the province.

NEI MONGGOL REPORTS FACTIONALIST CASE SOLVED

HK241529 Beijing RENMIN RIBAO in Chinese 20 Jul 84 p 4

[Report by Gu Lei and Wu Ye: "Nei Monggol's Baotou City CPC Committee Sternly Handles a Case of 'People of the Three Categories' Making Trouble"]

[Text] Some 20 rebellion ringleaders of the "Cultural Revolution," swollen with arrogance, gathered in Baotou, Nei Monggol from 18 to 22 June to make trouble. The Baotou City CPC Committee lost no time in sternly handling the case.

On the afternoon of 18 June, Li Jinbao (a cadre of Baotou Normal Institute), who was a smash-and-grabber and a rebellion ringleader and who was seriously factionalist, died of cancer. The CPC Committee of Baotou Normal Institute immediately sent a funeral group to discuss the funeral arrangements with Li's wife. At that time, the seriously factionalist smash-and-grabbers and rebellion ringleaders Wang Wenqing, Chen Shaotong, Li Chunyi, and others were already at Li's house. In collusion with Li's wife, they made many unreasonable demands and questioned the comrade sent by the institute: "What type of person is Li Jinbao?" "There will be no cremation before (this) problem is solved!" Wang Wenqing and Chen Shaotong even demanded to "talk over the matter" in the capacity of spokesmen with the funeral group of the institute. When the comrade sent by the institute announced the funeral arrangements, he was attacked by these "people of three categories" for 5 and 1/2 hours. They shouted in confusion, asked for Li Jinbao's "political conclusion," and asserted that Li Jinbao was a "revolutionary cadre." Li's wife claimed that Li Jinbao died unjustifiably. She pointed at the former CPC Committee deputy secretary of the Normal Institute who came to visit her and said: Li Jinbao was hounded to death by you in investigating his problems. After all, what are his problems?

When the Baotou City CPC Committee was notified about the matter, a meeting of departments concerned was held immediately and the following decision was made: The rebellion ringleaders must not be allowed to interfere with Li's funeral; the examination of Li Jinbao's problems after the downfall of the "gang of four" and his removal from the posts within and outside the party was correct; and no wreaths would be presented and no memorial meeting or ceremonies of paying respects to his remains would be held. When the comrade sent by the Normal Institute announced this decision to Li's family, he was again attacked by the "people of the three categories." They said in a threatening manner: "If you do not let us speak at home, we can speak outside (in society)." "The CPC Committee of the Normal Institute may not permit us to hold a memorial meeting and send wreaths, but can it control the whole city?" They shouted and wrangled until 2300. Wang Wenqing, Chen Shaotong, Li Chunyi, Zhou Jianmin, and others gathered at Wang Wenqing's home during the night and plotted countermeasures until 0100 on the second morning. On 22 June, another group of some 10 rebellion ringleaders came to Li Jinbao's house in two cars to fish for information. They stepped up plotting the memorial meeting in secret and carried out various activities to prepare for the meeting.

The city CPC Committee held that this was a serious case. Following are the outlines of the case: 1) In the 2 days after Li Jinbao's death, 24 rebellion ringleaders and backbones (including 18 persons whose problems were investigated and examined) established ties with each other and unreasonably demanded that the CPC Committee of the Normal Institute negate the investigation and examination work, which clearly indicated that the move was carried out in a planned way. Of these people, 12 did not go to work for a long time after their problems were investigated and examined, but frequently established ties between each other and waited for an opportunity to make trouble. 2) Of the 24 ringleaders who tried to make trouble, 16 rose to prominence during the "Cultural Revolution" and 6 out of the 14 party members were admitted to the party during the "Cultural Revolution" without meeting the necessary requirements. 3) The ringleaders of the two factions which came into conflict with each other during the "Cultural Revolution" suddenly made concerted efforts to create trouble and to deal with the CPC Committee. 4) Their purpose in making trouble was to reverse the correct verdict of investigation and examination work and oppose the decision of the CPC Central Committee on totally negating the "Cultural Revolution." They schemed to make a wreath with a diameter of 1.5 meters, decorated with white flowers for Li Jinbao. They confessed that this was to prove that Li Jinbao was "a pure and honest man who represented the people of that line." They also prepared a huge portrait of the deceased for the memorial meeting in an attempt to put pressure on the city CPC Committee. 5) There were some people among them who viciously maligned the leading comrades of the CPC Central Committee and voiced grievances for the "gang of four." In order to reverse the correct verdict, some stirred up trouble in the relevant CPC committees and threatened to get rid of "these bastards" of the CPC committees.

After a thorough investigation, the Baotou City CPC Committee decided to sternly handle the case without being softhearted. According to the decisions of the party branches concerned, and with the approval of the city CPC Committee, the "people of the three categories" Wang Wenqing, Chen Shaotong, Li Chunyi, Zhang Songlin, and Zhou Jianmin, who took the lead in making trouble, were expelled from the party. The others who also took part in causing disturbances are now being examined and handled by the units concerned.

NEI MONGGOL'S BU HE ON ADMINISTRATIVE REFORM

SK250452 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Jul 84

[Excerpts] At the regional meeting of department and bureau directors of regional-level organs convened on the morning of 24 July, Bu He, chairman of the region, made a report on streamlining administration, transferring power to lower levels, signing contracts, and improving office work style.

He said: At present, economic work is focused on reform. We need a great number of reformers. All department and bureau directors should stand in the forefront of reform and boldly carry out and support it.

Comrade Bu He said: During the past 6 months or more, all departments in the region have conscientiously implemented the guidelines of the relevant regional meetings, and units at all levels have carried out the reform in a relatively fast manner, scoring relatively noticeable results, thus greatly promoting the development of the work in various fields and improving the overall economic situation of the region.

Comrade Bu He said: While carrying out the reform, various commissions, offices, departments, and bureaus and the majority of comrades in the region stood in the forefront of the reform. They did much work and offered good suggestions for promoting the development of the reform, thus scoring great achievements in this regard. However, we should also note that our reform work has just begun and the development of the reform is uneven in some units. To penetratingly develop the reform in our region, we should stress work in the following areas:

First, we should correctly understand the significance of the purpose of urban reform, continue to eliminate leftist influence, and further emancipate our minds.

Second, in carrying out urban reform, we must firmly and unremittingly adhere to the principle of streamlining the administration and transferring power to lower levels; streamline organizations; reduce administrative levels and formalities; transfer decisionmaking power to enterprises and to lower levels; and energetically popularize the contracted responsibility system so as to bring prosperity to enterprises and urban areas. As for the issue of signing contracts, we can now see that most areas want to implement the contract system but have not yet really done so. Therefore, various commissions, offices, departments, and bureaus should pay attention to the implementation of the contract system, stressing speed and efficiency.

With regard to changing the work style of office staff, Comrade Bu He said: Since the beginning of this year, when the reform began, a big change has been made in the work style of office staff. However, this is far from meeting the development of the current reform. For instance, work efficiency is low, the problem of bureaucratic work style is still serious, and the problem of holding too many meetings and issuing too many documents has not yet been thoroughly solved.

GANSU DISCUSSES LANZHOU ECONOMIC MODERNIZATION

HK241547 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 22 Jul 84

[Text] The Second Plenary Meeting of the Seventh Lanzhou City CPC Committee, which concluded this afternoon, proposed that in economic structural reform, Lanzhou City should give full play to its role as a key city, should work hard to expand cross connections, should thoroughly change its closed-door economy, and should be bold in opening to the outside world.

In expanding cross connections: 1) We must maintain business contacts with the provincial enterprises and enterprises of the central authorities in Lanzhou; 2) we must maintain a cooperative relationship with the universities, colleges, and scientific research units in Lanzhou; 3) we must establish steady and long-term economic cooperation with five provinces in the northwest; 4) we must even establish economic contacts and cooperation with areas along the coasts and with economically developed cities; and 5) we must rely on all democratic parties, people's organizations, and Overseas Chinese and their family members. This will allow us to maintain ties with foreign enterprises and to import foreign capital and advanced science and technology.

The meeting proposed that we must make concerted efforts, take effective measures, and be determined to carry out reform. CPC committees and governments at all levels must seriously study and properly solve the problems arising in the course of reform. Moreover, they must support the masses' creative initiative and must pay attention to grasping experiences and typical examples. It is essential, through economic structural reform, to build Lanzhou into a modern city by the end of this century through socialized activities, technical production, comprehensive planning, modernized management, establishment of a circulation network, and beautification of the environment.

NINGXIA TOWN ENTERPRISE INCOME UP 41.4 PERCENT

HK241443 Yinchuan NINGXIA RIBAO in Chinese 11 Jul 84 p 1

[Report by Zhu Yilin: "Township and Town Enterprises Develop Vigorously in Ningxia Region"]

[Text] During the first half of this year, township and town enterprises in Ningxia Region developed vigorously and the situation was gratifying. According to statistics, by the end of June total incomes of township and town enterprises were 58,979 million yuan, an increase of 41.4 percent over the same period last year. This was higher than for the corresponding period of any past year.

The incomes of 19 county, city, township and town enterprises throughout the region also increased compared with the same period last year. The incomes of the enterprises in Yongning and Taole Counties increased by more than 100 percent. The incomes of enterprises in Haiyuan, Longde, Tongxin and Wuzhong Counties increased by more than 60 percent. The incomes of the enterprises in Zhongning, Guyuan, and Qingtongxia increased by more than 50 percent.

The main factors contributing to rapid development of township and town enterprises in our region this year are that CPC committees and governments at all levels have conscientiously implemented the spirit of Document No 1 and Document No 4 issued by the CPC Central Committee this year; that they have relaxed policy and strengthened leadership; and that all workers and staff members of the enterprises work and struggle hard. Leaders at various levels in the region have given top priority to the work of developing township and town enterprises, and promoting commodity production and circulation.

Leading comrades of the regional CPC Committee and government have time and again listened to work reports on developing township and town enterprises, have examined plans, and have visited townships and towns to carry out investigations to solve practical problems. During the first half of this year, some new projects and new enterprises directly supported by the autonomous region were completed and went into production. The masses in various localities have relied on their own efforts to raise funds to establish 68 enterprises in the field of light industry, chemical industry, food processing, fodder processing, industrial and sideline product processing, building materials, small coal mines, and so forth. A number of responsible comrades from some counties and cities have personally conducted investigations and studies to find out about the situation, summed up and popularized advanced experiences, and solved problems on the spot to ensure the fulfillment of construction projects. Some of them have personally taken part in the work of promoting the sale of products. Various localities have adopted a method of inviting experts from other places and sending workers to study technology in other places in order to actively train technical personnel for the enterprises. Some counties have provided and recruited technical personnel for some township and town enterprises. Some township and town enterprises have carried out reform and readjustment, perfected responsibility systems, and improved administration and management to markedly enhance their economic results.

At present, 16 counties and cities in the region have established administrative organs responsible for the management of township and town enterprises. They have also selected and promoted younger people proficient in management and administration to undertake leadership work. Some townships have also established enterprise offices or agricultural, industrial, and commercial service companies to actively serve township and town enterprises.

XINJIANG INTRODUCES UYGUR TELEGRAPH NETWORK

OW231439 Beijing XINHUA in English 0634 GMT 23 Jul 84

[Text] Urumqi, July 23 (XINHUA) -- Xinjiang, a multinational region of northwest China, has formed a Uygur language telegraph network centered around its capital of Urumqi, according to the regional Posts and Telecommunications Bureau. The Uygur language telegraph service is available in 319 postal and telecommunications offices of 86 counties and 220 townships where the Uygur people live in compact communities.

Xinjiang has a population of 13.16 million, almost half of whom are Uygur people. And a number of other minority groups can speak the Uygur language. Only the Chinese language was used in cable before nationwide liberation in 1949, local officials said. The state has allocated special funds over the past decades to expand the Uygur language telegraph service.

TAIWAN OLYMPICS OFFICIAL ON MUTUAL GOALS

OW240930 Beijing XINHUA in English 0654 GMT 24 Jul 84

[Taiwan place and personal names are as received]

[Text] Los Angeles, July 23 (XINHUA) -- Chi Chang, 1968 Olympic medalist and technical director of the Chinese Taipei sports delegation to the 23rd Olympiad, expressed her wish here this afternoon that athletes from both Taiwan and the mainland would win honour for the country with good results in competition.

She was speaking to XINHUA correspondents after the flag-raising ceremony for the Chinese Taipei Olympic team at the Olympic Village in the University of Southern California.

Chi Cheng said that it is a good thing for athletes from both parts of China to meet together in the Olympic games. "Athletes from Taiwan and the mainland should compete in harmony during the games because we are all Chinese," she said. She noted that this is not the first time for athletes from both sides to meet and that they have already met on several occasions in international competitions.

She said she hoped that Zhu Jianhua, the world record holder from the mainland, would win the event. "Zhu Jianhua has behaved well in many international competitions," she stated. "I hope that he will withstand outside pressure and realize that conditions at the current games are advantageous to him."

Speaking of the development of sports in Asia, Chi Cheng said that for Asian athletes to push up their level of various events, it would be imperative for them not to be passive. She believed that Asian athletes had the same physique as those from North America and Europe and that they should adopt advanced methods of training.

The former bronze medalist's view was shared by officials and athletes from the Chinese Taipei delegation. Henry H. Hsu, member of the International Olympic Committee and executive member of the Chinese Taipei Olympic Committee, said that they would be happy if athletes from the mainland could achieve good results in competition. C. K. Yang, technical director of the delegation and Olympic medalist, said that athletes of the mainland and Taiwan were of the same family.

CHINA POST ON MAINLAND'S 'CAPTIVE PEOPLE'

OW232038 Taipei CHINA POST in English 19 Jul 84 p 4

[Editorial: "President Reagan's CNW Proclamation"]

[Text] President Ronald Reagan's Captive Nations Week (CNW) proclamation last Monday should serve to uplift the morale of the captive people behind the Iron Curtain.

The U.S. President issued his proclamation at a White House ceremony last Monday before an audience composed of representatives of groups from Eastern Europe, Southeast Asia and Cuba. He denounced in his message the Soviet system which "puts itself above God" and "defines its very existence by the relentless drive to conquer more and more lands." He said that the "people of the Soviet bloc were taken captive by force and remain captive by force." He described the system as "Communist totalitarianism."

President Reagan specifically mentioned the fate of Soviet dissident Andrey D. Sakharov and his wife Yelena Bonner by saying that "the world demands to know the fate of these two good and courageous people."

He told the Captive Nations Week ceremony audience that "peace is our highest aspiration. But we stand for peace with freedom and for peace with dignity." He declared that "to those who believe our policy must always be wilful ignorance of ugly truths, must be silent in the face of persecution, and appeasement or surrender to aggression, I say that price is far too steep and we dare not and will never pay it."

President Reagan's ringing declaration deserves our wholehearted concurrence and support. It is reminiscent of his remarks at last year's CNW ceremony denouncing the Soviets as an "evil empire" and calling the Marxist totalitarianism "the world's greatest challenge to human rights" at a White House ceremony on July 19, 1983, which were equally well received by all the anti-Communist leaders in the audience.

Unfortunately, President Reagan's omission of the Peking regime from his denunciation of the Communist totalitarianism is a matter of much regret. The Peking regime's brutality and tyrannical behavior is no less inhuman and in violation of human rights than the Soviets. It has slaughtered perhaps even more people under its jurisdiction during the last 33 years than the Soviets.

According to the latest findings by a group of American scientists, Mao Tse-tung's "Great Leap Forward" in the 1960s killed as many as 27 million people. The figure was the result of study by the "National Research Council's Committee on Population and Demography" carried out in 1982 entitled "Rapid Population Change in (Mainland) China 1952-1982." It used the Peking regime's official figures which indicated that at least 16 million "excess deaths" occurred because of the famine. But as the regime attempts to understate the consequences, the number of the mainland deaths in that period was minimized and the real figure, according to the study, could be as high as 27 million. The total number of the people slaughtered by the Peking regime is near the 100 million mark, making Peking easily the world's most cruel regime in history.

As the people of the Republic of China commemorate the Captive Nations Week with appropriate activities, we must warn free people not to overlook the one billion captive people on the Chinese mainland who are struggling to regain freedom, democracy and human rights so that they may live in real peace and prosperity as their compatriots do on the anti-Communist bastion of Taiwan. All the free people must not only sympathize with their plight but also render them support in their epic struggle.

Free world leaders must realize there are no good or bad communists. All communists are evil and untrustworthy. They should not believe the sugar-coated promises of the Chinese Communists because those promises are unreliable and would be broken at the first opportunity to suit their conveniences. If the one billion captive people on the Chinese mainland can be freed to rejoin democracy under the Three Principles of the People, they will constitute a tremendous asset to peace and stability in the Asian and Pacific region.

CARIBBEAN, LATIN AMERICAN INVESTMENT ENCOURAGED

OW240611 Taipei CNA in English 0242 GMT 24 Jul 84

[Text] Taipei, July 23 (CNA) -- Economic Vice Minister Wu Mei-tsun said Monday that the Ministry of Economy Affairs has submitted to the Executive Yuan for approval a set of incentives to induce local manufacturers to invest in the Caribbean and Latin American countries.

He declared that his ministry will send one mission each to the Caribbean nations and to the Central and South Americas respectively for fact-finding information on investment climates in those countries, after the investment incentives are approved by the Cabinet. The missions will be formed within two months in the wake of the Executive Yuan's endorsement of the incentives, Wu said. According to Wu, the Latin American nations include the Republic of Costa Rica, Panama, Honduras and Guatemala, while the Caribbean nations are: The Republic of Haiti, Saint Vincent and the Grenadines, St. Kitts and Nevis, and Saint Lucia.

Earlier in the day, John Ni, deputy director of the ministry's Industrial Development and Investment Center, also confirmed that the government has been working on plans to encourage domestic manufacturers to open factories in the Caribbean and the Latin American nations. Ni said there are two textile and garment plants invested by manufacturers from the ROC in the Republic of Panama, adding that 36 local makers here have expressed interest in making inspection tours to the Republic of Costa Rica to find out the investment climate in that country.

TAIWAN FLAG FLOWN AT LOS ANGELES OLYMPIC VILLAGE

OW250343 Taipei CNA in English 0254 GMT 25 Jul 84

[Text] Los Angeles, July 24 (CNA) -- A national flag of the Republic of China is flying Tuesday at the Olympic Village at University of California at Los Angeles (UCLA) where the Communist Chinese delegation is staying.

The ROC flag is flying in front of Drake Track Stadium at UCLA along with flags of other 140 participating nations and areas at the 23rd Olympic Games. Since the ROC was obliged to participate in the Olympic Games in the name of "Chinese Taipei" and its national flag and national anthem are not allowed in all Olympic-related sports event, it's extraordinary to see a full-size ROC flag where the Peiping athletes were practicing for their first appearance in summer Olympic Games in more than 20 years.

Inside the village, Peiping athletes were hanging around in small groups of three or four, but never alone. Some of them were playing video games and others window shopping at souvenir stores, but none of them was willing to talk to reporters, no matter where they come from.

The UCLA village, which has an area of 128 acres, is housing 4,300 athletes and officials from 62 nations and area, among them Communist China and Hong Kong. Meanwhile, the Republic of China delegation is staying at the Olympic Village at the University of Southern California (USC) together with delegations from Japan and 78 other nations.

UK OFFICIALS SAY HOWE LIKELY TO MEET DENG

HK250254 Hong Kong SOUTH CHINA MORNING POST in English 25 Jul 84 pp 1, 12

[From Terry Cheng]

[Excerpts] Peking, July 24 -- The British Foreign Secretary, Sir Geoffrey Howe, is likely to meet China's top leaders, including Mr Deng Xiaoping, towards the end of his visit to Peking.

Sir Geoffrey and his team will hold a number of working sessions with Chinese Foreign Affairs Ministry officials before July 30 when the Foreign Minister, Mr Wu Xueqian, will leave for Latin America.

While it is not yet certain whether he will meet Mr Deng, British Embassy officials felt that the meeting was likely and that it would certainly be "useful."

They noted that it was during their last meeting in April that the idea of setting up a joint group in Hong Kong to monitor developments during the 13-year transitional period was raised.

"It is natural that the two leaders discuss the idea again this time," one observer said. There was also speculation that Sir Geoffrey would meet the Chinese Prime Minister, Mr Zhao Ziyang. But all the British Ambassador to Peking, Sir Richard Evans, had to say was "we'll have to see" when asked if Sir Geoffrey was to meet Mr Deng or Mr Zhao.

If there are to be meetings with the top Chinese leaders, it is expected they will be held after Sir Geoffrey has finished his working sessions with Mr Wu. Sir Geoffrey's itinerary has yet to be announced.

A British Embassy spokesman said the composition of Sir Geoffrey's party would be more or less the same as that for his last visit. The team will include Sir Richard, the Governor, Sir Edward Youde, the Political Adviser, Mr Robin McLaren, the leader of the British team to the joint working group on Hong Kong's future, Dr David Wilson, and the Foreign Office legal expert, Mr Fred Burrows.

Sir Geoffrey will arrive in Peking from Hong Kong on Friday evening. He will begin his formal working sessions the next day. Meanwhile, Mr McLaren, who took part in today's meeting of the joint working group, said the group would continue to meet until Friday and resume business after Sir Geoffrey leaves Peking for Hong Kong on Tuesday. Mr Burrows, who returned from London last night, will continue to attend the group meetings until Sir Geoffrey arrives. Beyond that it is not certain if Mr Burrows will stay on, a British source said. Sir Richard confirmed that Mr Burrows' return to London in the past two weeks was related to the talks over Hong Kong's future. "I'm sure he did some work on that subject," he said. But Sir Richard pointed out that Mr Burrows' main purpose in London was to get on with other work. Commenting on Mr Burrows' absence from the group meetings, Dr Wilson said: "The meetings will be held as fast and steadily as possible." He added that Mr Burrows' arrangement with the working group was flexible.

Meanwhile, the leader of the Chinese team in the joint working group, Mr Ke Zaishuo, told reporters after this morning's session that the group was also working on the format of an agreement. He confirmed that the group was deliberating on the contents of an agreement as well as on arrangements to be taken by both sides during the period before and after 1997.

TAIWAN COMMITTEE TO STUDY HONG KONG SITUATION

HK250308 Hong Kong SOUTH CHINA MORNING POST in English 25 Jul 84 p 1

[Text] Taiwan has set up a special committee to study ways of preventing Hong Kong from returning to mainland rule.

Taipei's Information Director, Mr James Soong, revealed the move during a press conference in Tokyo which was reported by the Taiwan-based CHINA TIMES yesterday. Mr Soong said Taiwan's policy is not to explore ways of solving problems that may occur after the communists take over Hong Kong, but rather to prevent the takeover. His comments were made to more than 300 Japanese reporters on Monday.

In answer to a question from the JIJI news agency, Mr Soong said the Taipei Government would try its utmost to prevent Hong Kong from falling under communist rule. Citing political, economic and humanitarian reasons, Mr Soong said Taiwan is very concerned about the future of Hong Kong. He said Hong Kong should enjoy freedom and democracy, but should be released from the legacy of "shameful" unequal treaties. He said both the founder of modern China, Dr Sun Yat-sen, and Taiwan's late President Chiang Kai-shek had tried hard to abolish unequal treaties.

Mr Soong said the vast majority of Hong Kong's 5.5 million people are anticommunist. He cited a poll conducted by a financial publication as saying that 80 per cent of the local populace want to preserve the present status quo, adding that Taiwan is very concerned with the preservation of Hong Kong's freedom and prosperity.

As for economic reasons, James Soong said Hong Kong is Taiwan's third largest trading partner, after the United States and Japan. A close aviation link also exists between the two places. Currently there are 215 linking flights each week -- one-third of Taiwan's total.

Meanwhile, the Hong Kong-based pro-Taiwan magazine GRASSROOT said Taipei is "closely monitoring the temperament of Hong Kong" and is formulating plans to cope with the situation after 1997. The article, entitled "Taipei is Concerned About the Hong Kong Problem," said the government is proposing to invite members of Umelco [Unofficial Members of the Executive and Legislative Councils] to Taiwan. It is a sign of Taipei's recognition of the members' representativeness, the magazine said. "This is in sharp contrast to the Peking Government's criticism of UMEICO's lobbying of Britain, and the way the Umelco trio were entertained by Mr Deng Xiaoping in Peking," it said.

DEADLINE PRESSURES ON SEPTEMBER TALKS VIEWED

HK210553 Hong Kong Domestic Service in English 0500 GMT 21 Jul 84

[Text] In Britain, there is continuing interest in the future of Hong Kong and in the progress of the Sino-British talks. The foreign secretary, Sir Geoffrey Howe, is expected to leave London on Wednesday for a visit to Hong Kong, and then on to Peking to assess the progress of the talks. With his assessment of the issue so far, here is the BBC diplomatic correspondent, Gordon Martin:

[Begin recording] Time is running out for the talks which began in earnest just over a year ago, and last week reached their 18th round. They were working to a September deadline imposed by the Chinese 2 years ago as a hard and fast limit at the time of the crucial Peking visit by the British Prime Minister Mrs. Thatcher, but later slightly relaxed to allow a further 3 months for discussion in Hong Kong and Britain of an agreed draft. That draft, to be initialled by the end of September, will for all practical purposes be the final document. Hong Kong can accept or reject it, but cannot tamper with the package.

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HONG KONG MEDIA ON CHINA

With only a little over 2 months to go, officials are at pains to counter any impression that everything is not cut and dried. They point to the extraordinary complexity and unique character of the negotiations, and to the gap between Peking's preference for generalities and Britain's wish to incorporate as much binding fine-print detail as possible.

While not disguising their concern that a great deal of work remains to be done both on language and issues, officials nonetheless feel able to give a generally optimistic assessment of the chances of reaching agreement; there is not the slightest inclination to play down the reality of a unilateral and irrevocable Chinese declaration, if that is not forthcoming. But despite the deadline pressures and the risks of failure to agree, officials insist that there can be no question of Britain signing any agreement out of desperation for its own sake. It must be a settlement that can honorably be commended to Parliament in Westminster. [end recording]

OPINION OFFICE TO ACT AS INFORMATION 'SPONGE'

HK210309 Hong Kong SOUTH CHINA MORNING POST in English 21 Jul 84 p 1

[By Frank Choi]

[Text] The role of the assessment office being set up in September will be like that of a "sponge soaking up all the information" received from the public, the acting secretary for home affairs, Mr Lan Macpherson, said yesterday.

He was speaking after his appointment as head of the office, the task of which will be to collate and assess public views on the draft Sino-British agreement on the future of Hong Kong. He told reporters he would start planning the work of the office next month. He will continue his work as acting secretary for Home Affairs until the end of the month when the Chief Secretary, Sir Philip Haddon-Cave, returns from London. Then the acting Chief Secretary, Mr Denis Bray, will return to his normal work as SHA and Mr Macpherson will be able to concentrate on his new job.

"August will be a planning period and we won't be setting the office up probably until September because we won't have anything to do until the draft agreement comes out," he said. As for the role of the special office, he stressed it would not try "to seek to form opinions or to influence opinions." He said: "This will be an independent office and I will be reporting directly to the Governor."

The office will work to collect public views accurately, to assess them, and to put them into a form of comprehensive report, he said. "I would like to make it clear that we will not be opinion influencers or formers, but we will be like a sponge soaking up all the information and trying to make it into a form of report."

To ensure the independence of the office, Mr Macpherson said it would be distanced from the administration and not be part of the Government Secretariat. But he said there would inevitably be some links between the office and the government. "After all, it seems a lot of resources are required and the only organisation in Hong Kong that has the resources to handle it is the Hong Kong Government." He added that there would be a separate group to monitor the work of the new office. However, Mr Macpherson declined to elaborate on the composition of the office or its location. He said he only became aware of his appointment a few days ago and stressed he was not a government spokesman on matters concerning the future.

Meanwhile, a Government spokesman did say yesterday that the details of the special office had yet to be finalised. Details of the independent monitoring team would be announced later. Prior to becoming acting Secretary for Home Affairs, Mr Macpherson was the Regional Secretary for the New Territories.

PRC'S JI PENGFEI VIEWS MACAO PRESS ON HONG KONG

HK250326 Hong Kong SOUTH CHINA MORNING POST in English 25 Jul 84 p 1

[Text] Macao, July 24 — Too many press reports on the question of Hong Kong's future are "not good for the people of Macau," the head of China's Hong Kong and Macau Affairs Office, Mr Ji Pengfei, has told a delegation of Macau newspaper executives.

Mr Ji told publishers and editors from seven Macau Chinese-language newspapers that the Sino-British talks on Hong Kong's future "are not your problem -- so why should you print so much about them?" He added that too many reports on the Hong Kong question could "confuse" the people of Macau.

Members of the delegation said Mr Ji had made these remarks during a meeting in Peking's Great Hall of the People on July 12. Mr Ji had also told them that newspapers published in China were too concerned with politics, while Hong Kong and Macau newspapers were much freer and more active.

The delegation spent two weeks in the People's Republic, at the invitation of the Peking head office of the NEW CHINA NEWS AGENCY. It returned to Macau yesterday afternoon.

Mr Ji was reported as saying that the problems of Hong Kong and Macau were different. One Macau Chinese-language paper quoted Mr Ji as saying that Macau "should have no big problems." The newspaper did not elaborate.

Mr Ji was reported to have asked the delegation the size of Macau's population and how many Macau Chinese held Portuguese passports, and to have inquired about the state of the Portuguese community.

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